



Daily Report

East Asia

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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Japan

Soviet Foreign Minister Shevardnadze Ends Visit

Shevardnadze, Uno Address Reception

LD1912233088 Moscow TASS International Service
in Russian 1700 GMT 19 Dec

[Text] Tokyo, 19 Dec (TASS)—This morning, Eduard Shevardnadze, CPSU Central Committee Politburo member and USSR foreign minister, who is on an official visit to Japan, visited the Imperial Palace and expressed sympathy about the illness of Emperor Hirohito.

Talks then began with Japanese Foreign Minister S. Uno. There was an exchange of views on the international situation and on the most important aspects of contemporary international relations.

E.A. Shevardnadze spoke of the Soviet leadership's views on the possibility of promoting changes in world politics and mutual relations between states that would permit a transition from confrontation and discord to joint actions aimed at developing mutual understanding and cooperation to deal with the tasks common to all of humanity. In this connection, he explained the conceptual and philosophical clauses of the speech by M.S. Gorbachev, USSR Supreme Soviet Presidium chairman and CPSU Central Committee general secretary at the United Nations on 7 December.

The development of the Soviet concept for ensuring peace and the development of cooperation in the Asian and Pacific region, which was set out previously in M.S. Gorbachev's speeches in Vladivostok and Krasnoyarsk, was explained. The Soviet Union attaches paramount importance to reducing the level of military confrontation in this region of the world and is prepared to commence negotiations on cutting military potential here at any time, in any place and at any level.

The Soviet Union counts on Japan's active involvement in this process.

S. Uno positively assessed the restructuring processes in the Soviet Union, the new political thinking, and the latest initiatives delivered by M.S. Gorbachev in New York; he expressed the hope for a successful conclusion to the Soviet-U.S. negotiations on a 50-percent reduction of strategic offensive arms.

In addition to a comparison of conceptual views, a number of issues in world politics of mutual interest were touched upon at a specific level in the talks. They included problems of environmental protection and the peaceful use of space, the transformation of world economic links, including a settlement of the debt problem of developing countries, affirmation of the primacy of international law, and the creation of a mechanism and structure for further diplomatic contacts.

At the ministers' second meeting, also held on the same day, special attention was devoted to consideration of the whole complex of bilateral relations. Both sides expressed the intention to continue their efforts for the development of mutually beneficial contacts and links in various spheres, including political dialogue, commercial-economic cooperation, and cultural exchanges. Specific proposals were submitted in this connection.

During an exchange of opinions on prospects for concluding a peace treaty between the two countries S. Uno touched on the so-called territorial question and gave Japan's interpretation of its historical aspects.

E.A. Shevardnadze set out the Soviet Union's position on this and spoke in favor of removing complications and differences through calm, amicable, and objective discussion, taking into consideration all the circumstances.

The idea of creating a negotiating machinery for consideration of all aspects of concluding a peace treaty between the USSR and Japan was discussed constructively.

Working groups for expert consideration of international and bilateral problems were formed.

In the evening Japanese Foreign Minister S. Uno gave a reception in honor of E.A. Shevardnadze.

Addressing those gathered, S. Uno said in part:

Mr Minister, since you visited our country around 3 years ago, stormy changes and development have been taking place both in your country and in ours, as well as throughout the world.

Here in Japan there is almost no one who does not know the word 'perestroika'. The word 'perestroika' even won the glorious first place in a competition for the most popular words in our country this year. The whole world is now intently following the transformations being implemented in the Soviet Union under this slogan.

Incidentally, we too have made efforts on a nationwide scale to resolve the issues of how to ensure harmony between national prosperity and global development, how to pursue a domestic policy of which the key element is increasing domestic demand, or of what our contribution to the international community should be.

Certain indisputable results, which were achieved thanks to the guiding efforts of U.S. President R. Reagan and M.S. Gorbachev, general secretary of the CPSU Central Committee, shine like unprecedented stars of hope in the 43 years of the world's post-war history.

Ancient wise men, be they in the East or the West, left to us their sayings, which are full of profound sense. At the basis of Buddhist thinking lies the idea of the "cycle of human existence", which incorporates such concepts as "recurrent life and death", "eternal motion", and

"eternal changing of phenomena". On the other hand, the main idea of one of the founders of Greek philosophy, Heraclites, boils down to the fact that everything passes, everything changes.

Esteemed Minister!

As foreign ministers representing our countries, let us together extend the process of change and development to Japanese-soviet relations. Relations between Japan and the Soviet Union in the post-war period have not always progressed smoothly. There have been times in our relations when the bright rays of the sun inspired hope in the hearts of people, but at other times our hearts grew icy in the cold wind. However, I am sure that now, without a doubt, one of those moments in history which create an opportunity for considerable development—of which there have been many in our post-war relations—has started. What should be done in order not to let this crucial moment slip away? Mr. Minister, today we held talks for more than 6 hours in a completely frank manner or, as they say in Japan, "with an open heart". There exist between our countries issues on which our stances differ, including our approach to an unresolved matter left over from World War II. How are we to reduce the divergence between our stances? I think that it is precisely here that serious efforts are required from both sides.

The Russian writer and Decembrist A.A. Bestuzhev (Marlinskiy) thought that life required motion and the developing mind deeds. When parties aspiring to new and stable relations act upon their combined wisdom, then, I am convinced, a road full of hope into the future will certainly open up, like the rising sun in the morning.

This will open up bright prospects, and not only for Japan and the USSR or Japanese-soviet relations. Indeed, the very development of relations between our countries is of great importance for securing universal peace and the happiness of humanity. Moreover, they will lay down firm foundations for the global contribution which Japan and the Soviet Union wish to make, each one proceeding on the basis of its own position.

You, Mr Minister, are to deliver a paper to the Japanese Institute for the Study of International Problems. I expect it to be an interesting speech, both on the great changes and development taking place in the world and on the relations between Japan and the Soviet Union in these conditions.

To the successful completion of the visit to Japan by Soviet Foreign Minister E.A. Shevardnadze!

To the development of friendly relations between Japan and the Soviet Union!

In a speech in reply, E.A. Shevardnadze said:

On a long journey, man is always accompanied by two thoughts: about his homeland and about the country to which he is bound. He wishes for his own home peace and prosperity indivisible in his consciousness from the good concord and understanding he counts on meeting in the other country.

We have come to you with these thoughts, desires, and hope.

Our goal is for full-blooded, good-neighborly, and wide-scale relations with Japan which correspond to the potentials of our countries and to the aspirations and desires of our peoples.

But the world today is such that, when one thinks of one's own home and of one's neighbor's home, one inevitably comes to reflect on the state of affairs under the common roof of mankind as a whole.

All is mutually linked here today. And equally mutually linked are our thoughts on the interrelations between national and universal human destinies.

I recall now my first official visit to Japan, my first trip to Asia after being appointed to the post of foreign minister. This event was all the more memorable in that it served to renew, after a lengthy interval, direct political dialogue between our countries. We then displayed with the utmost definiteness our readiness to start writing, with our Japanese colleagues, new pages in the history of bilateral relations.

Only a short time has passed since then, according to the calendar.

According to other criteria, however, this time has turned out to be a vast space of time: a time of an abrupt turn to a qualitatively new state of the world, a time in which the tendency toward an improvement of the international climate which has manifested itself so masterfully is to no small extent being fostered by the philosophy and—even more importantly—by the specific practice of the new political thinking. From mutual mistrust to the aspiration to understand one another; from confrontation to dialogue; to settlement of regional conflicts—this is the path onto which mankind is now turning, and where there opens up before him not only hope for survival, but also hope for the building of a wise, nuclear-free, and peaceful world capable of being guided by the principles of freedom of choice, balance of interests, and global cooperation.

In his recent address at the UN General Assembly session, M.S. Gorbachev gave what I think is a very weighty formula which reveals the unique nature of the present historical movement. We have arrived, he said, at a line where disorder spontaneity is leading us into a

dead end and when the world community has to learn to formulate and direct processes in such a way as to save civilization and make it secure for all and more favourable for normal life.

Since January 1986, the world has begun to acquire a new vision of the long-term future.

But does the state of relations between two such major neighboring states as the Soviet Union and Japan correspond to this tendency? Will they be able finally to cast off the shroud of alienation which has arisen between them?

While not forgetting that the Soviet Union and Japan belong to different historically established systems and having no intention of doing anything to the detriment of relations between our Japanese partners and their friends and allies, we see the difficulties which the past has left us, and we seek methods of overcoming them.

Without dramatizing the situation, we see opportunities for developing our relations not along an oscillating curve, when rises alternate with falls, but along an ascending curve.

Through interaction with each other, we can also do a good deal for making the situation in the Asia-Pacific region more healthy. As is well known, an extensive conceptual program was put forth on this account by M.S. Gorbachev in his speeches in Vladivostok and Krasnoyarsk. Without going into detail, I recall only that the serious questions in the speeches of military security, including naval and air force activities, ecological problems, struggle against natural disasters, and cooperation in preserving and developing national traditions are important for our national priorities as well.

Proposing to develop dialogue in this direction too, we proceed from the fact that the colossal energy of Japan's prestige must by all means be included in the network of regional and global political detente.

Summing up the results of the outgoing year of 1988, one can say that, on the whole, positive overtones began to appear again in our dialogue of that period. Political contacts, including the Soviet leadership's conversations with prominent Japanese figures, became more active; a number of reciprocal parliamentary visits took place; and another meeting between representatives of the Soviet and Japanese public was held.

A change in other areas has been taking shape too. Goods exchange has increased, and new progressive forms of economic cooperation have developed.

Bearing in mind, however, our potential, it cannot be but recognized that this is too little. There still remains much to be done to raise our relations to the level of genuine good-neighborliness.

I think that the conditions for stable relations developing along a wide spectrum of directions—from politics, economics, and commerce to scientific, technical, and cultural exchanges—have been created. They are formed first and foremost in people's minds and feelings.

Those present here who have visited the Soviet Union and, indeed, I think all Japanese people know what respect Soviet people have for the Japanese people, what great interest there is in their achievements and culture. The success of the "Kabuki" Theater, which recently guest-starred in our country, is indicative and also the demonstrations of the tea ceremony by the "Urasenke" School. The Japanese garden which has grown on Moscow soil has pierced our hearts with the petals and scent of (sakura).

Waves of understanding and interest in our restructuring are coming too from Japan. As we see it, many Japanese are, as it were, rediscovering our country.

Our thoughts of home are not free now of pain and grief. The tragic results of the recent earthquake in Armenia, which killed tens of thousands of our brothers and sisters, deeply wounded the whole Soviet people, and it will be very hard to heal them. But the horrific pictures of the disaster must not hide the scenes of true world solidarity, sympathy, aid, and support which unfolded in literally a matter of hours after the tragedy. Not only did the bowels of the earth open wide, but human hearts and souls opened up, we opened up, the world opened up, united and great in its understanding of the commonality of our fates.

The hand of aid was also extended to us by Japan, and we took it with gratitude. It is with gratitude that we are speaking of it now too.

Thousands of people are at this moment addressing our embassy in Tokyo with offers of assistance. One woman brought her modest savings; she was asked her name, but refused to say.

True nobility is inseparable from selflessness. In this way the living soul of one people responds to the pain and torment of another.

This tragedy was not manmade. But it is reminiscent of the possibility of a catastrophe created by foolishness or ill will. When you think about this, the more acutely you are aware of the need to act in the name of world consensus, to seek and to find a common language, to institute cooperation in the name of peace, calm, prosperity, and the progress of our countries peoples.

This is precisely where we see the paramount task of our visit. The first round of talks with Foreign Minister Uno demonstrated that together we can resolve it. I hope that we shall confirm our view at tomorrow's meeting with Prime Minister Takeshita.

I hope that our visit to your country and the meetings and talks that have already been held and remain ahead, will make a contribution to the noble cause of bringing the peoples of the USSR and Japan closer together and will be a step forward along the road to a better world for us and for the whole world.

Allow me, Mr Uno, to express our warm gratitude to you and to all your Japanese colleagues in the diplomatic service for the cordial reception and hospitality shown to us.

I would like to take this opportunity to greet all the Japanese guests present here and through them to the Japanese people on the upcoming new year and to wish them peaceful skies, happiness, and prosperity.

No Progress on Territorial Issue

*OW2012140288 Tokyo KYODO in English 1323 GMT
20 Dec 88*

[Text] Tokyo, Dec. 20 KYODO—Japanese Foreign Minister Sosuke Uno and his Soviet counterpart Eduard Shevardnadze ended their scheduled three rounds of talks Tuesday without any major progress on the long-standing territorial dispute between their two countries, Foreign Ministry officials said.

The officials said, however, that Uno and Shevardnadze reached a basic agreement to continue talks on the conclusion of a bilateral peace pact, including the territorial issue, through a standing working group.

Japanese and Soviet officials will hold all-night consultations to work out a joint communique, scheduled to be issued Tuesday afternoon.

The crucial point in drawing up the communique is wording concerning the possible setting up of a working group in relation to the territorial issue, the officials added.

Uno and Shevardnadze agreed to establish three working-level groups to deepen discussions on the territorial issue, regional problems and general bilateral relations during their second round of meetings Monday afternoon.

Prior to the third round of Uno-Shevardnadze talks, groups headed by Deputy Foreign Minister Takakazu Kuriyama on the Japanese side and Vice Foreign Minister Igor Rogachev, for the Soviets, discussed a possible Japan-Soviet peace treaty for over two hours.

However, the positions of the two sides remained unchanged over the four disputed islands off eastern Hokkaido which have been under Soviet control since the end of World War II.

Japan has demanded the return of Etorofu Island, Kunashiri Island, Shikotan Island and the Habomai Island group as a precondition for the conclusion of a peace pact formally ending war-time hostilities.

Based on reports by the three groups on their discussions, Uno and Shevardnadze devoted most of their third and last session to this most thorny problem standing in the way of improved relations between Tokyo and Moscow.

The officials refused to make public details of the talks, which they described as being "frank and thorough."

However, among other things, Uno asked for Soviet cooperation in obtaining the release of two Japanese seamen who have been detained in North Korea for five years on spying charges.

In reply, Shevardnadze promised to relay to Pyongyang a Japanese message asking for improved relations with North Korea, with which Japan has no diplomatic ties.

The Soviet foreign minister will travel to the Philippines and North Korea after winding up a four-day visit to Japan on Wednesday.

During one working group session, Rogachev conveyed to the Japanese side a North Korean message in which Pyongyang urged the Japanese Government to abandon its hostile policy toward the communist country.

Concerning economic relations, Shevardnadze asked Uno to study conclusion of an investment protection agreement and economic and trade pact stipulating principles of bilateral economic cooperation.

Uno, Shevardnadze Conclude Talks

*OW2012141588 Tokyo NHK General Television Network
in Japanese 1000 GMT 20 Dec 88*

[Text] At the regular Japan-Soviet foreign ministerial talks which concluded this afternoon, the two sides failed to basically narrow their differences over the northern territorial issue but practically agreed to continue talks on the territorial issue at a high working level. The two sides will also soon begin full-scale preparations for a joint communique which includes this agreement.

[Video shows reporter Hiroshi Hasegawa standing in a hallway in the Foreign Ministry] [Begin Watanabe reporting] Foreign Minister Uno and Soviet Foreign Minister Shevardnadze met for 3 hours this afternoon for the final round of the regular Japan-Soviet foreign ministerial consultations which began yesterday. At the meeting, final talks were held on various topics, including the results of vice ministerial-level talks which have been going on today over the northern territorial issue. As the two sides maintained their past positions, they failed to narrow their differences. However, the two sides agreed to continue consultations on the issue in the future and virtually agreed to continue high-level working negotiations on the issue, which were held for the first time during the current consultations.

The two sides will soon begin preparing a joint communique. At the negotiations held so far, the two sides have nearly reached agreement to reconfirm, as they did in their previous communique, the Japan-Soviet joint statement signed by then Prime Minister Tanaka during his visit to the Soviet Union in 1973. The joint statement said that the two nations would sign a peace treaty after resolving various outstanding issues left over from the end of the war. However, concerning the working-level consultations the two sides have agreed to continue, the Japanese side wants to have the consultations concentrate merely on the territorial issue whereas the Soviet side wants to avoid such a limitation. Due to this difference in views, the two sides have not yet reached agreement on how to include this plan in the joint communique, and difficulties are expected in the negotiations.

Meanwhile, prior to the final round of talks, Foreign Minister Shevardnadze called on Prime Minister Takeshita at his official residence this morning, handed him a personal letter from General Secretary Gorbachev, and held talks with him for about an hour. In his personal message, General Secretary Gorbachev touched on his own visit to Japan and stated in concrete terms that his visit to Japan is on the political agenda, thus conveying a more positive intention concerning his Japan visit. This concludes my report from the Foreign Ministry. [end recording]

Shevardnadze Delivers Report

LD2012133188 Moscow TASS International Service
in Russian 1118 GMT 20 Dec 88

[Text] Tokyo, 20 Dec (TASS)—Among the multitude of problems posed to humanity by our century the main one, evidently, as its capacity to reconsider fundamentally its attitude to force and to adopt a policy aimed at removing force from interstate relations. This challenge of the times is addressed exclusively to our generation, and we cannot refuse to take it up, declared Eduard Shevardnadze, USSR foreign minister, who is here on an official visit. He delivered a report "Toward New International Relations" at the Japanese Institute for the Study of International Problems in Tokyo today.

Present in the hall were members of the Japanese Government, leaders of political parties, prominent representatives of business circles and of the public and the mass media.

No one but us will sift through the inheritance we have received in order to cleanse it as much as possible from all that could wreck peace, Eduard Shevardnadze said. We have the firm conviction that we can come to an agreement with the United States on 50 percent cuts in strategic weapons, but even this great step toward a nuclear free world will turn out to be too short if the creation of nonstrategic nuclear arms continues as before.

The conclusion is clear: It is essential to lessen the absolute dimensions of the threat hanging over the world. This cannot be achieved while nuclear tests continue.

In this connection I wish to remind you that the USSR proposes banning all nuclear tests in full and is prepared to introduce, as the first step toward this, a reciprocal moratorium on all nuclear tests together with the United States.

Of course, nuclear weapons are just part of the problem of force. But we will be able to meet the challenges of the times only if we leave to future generations a nuclear-free world, or at the very least on the path towards it we cross the threshold from where it will be impossible to turn back.

It has fallen to the lot of the current generation of people to take the world out of its period of adolescent pugnacity and usher it into the age of wise maturity. In this lies its great mission.

In our view, the move toward mature international relations suggests their democratization, humanization, and their being stripped of ideologization.

In the view of Mikhail Gorbachev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, a new quality of interaction between the states and sociopolitical currents, regardless of ideological and other disagreements is required to tackle global problems, Eduard Shevardnadze stressed. It is necessary to tackle global problems by way of internationalizing dialogue and talks.

Only by searching for universal human consensus is a single, integrated, interrelated, and mutually dependent world capable of existing and surviving. A new level of international interaction is needed, at least, to put an end to the arms race, to halt the process of degradation of the environment, and to take control of forces working to undermine the economic foundation of the world's existence.

Mankind cannot be united while hotbeds of armed conflict still exist in individual regions of the world, while blood is being shed and vast material resources are being senselessly expended.

The withdrawal of Soviet troops from Afghanistan is evidence that we not only understand our responsibility for resolving regional conflicts, but also that we act responsibly in regard to the world community.

The Soviet minister went on to focus attention on ways of strengthening security and development and cooperation in the Asian and Pacific zone. The Soviet conception on this account was expounded by Mikhail Gorbachev in his addresses in Vladivostok and recently in Krasnoyarsk.

Our proposals are an invitation to talks of all the countries relating to the region in question. It is an invitation too, of course, to Soviet-Japanese dialogue on

this topic. The main thing is to start discussion, to start acting so as not to allow the problems to grow and so as to move toward resolving them, working toward reducing tension and military confrontation and toward developing cooperation and interaction.

Is the present generation capable of finally burying the "cold war"? I am convinced that things are moving toward this, Eduard Shevardnadze said.

We are aware that far from everyone takes such a view of the prospects. There is a widespread opinion that a nuclear-free, demilitarized world is impossible. To this one can object that notions of the possible and the impossible are relative. At one time it was considered that an apparatus heavier than air could not and would not fly. Yet today we are lifting 100-tonne cargoes into space.

The level of maturity in international relations can be defined in different ways, but the laws of their development are rooted in adherence to universal human values and are oriented toward a universal human priority.

The word "restructuring" has become the most popular word in Japan this year. I want to assure you that, having occupied an eternal place in the political dictionary of the country and of the world, it will continue to be in the lead not only as a concept but also as a movement achieving increasingly specific and palpable results, both in the sphere of disarmament and in our relations with countries of the world, including Japan.

Shevardnadze on 'Unsettled Issue'

OW2012:94788 Tokyo NHK General Television Network in Japanese 1200 GMT 20 Dec 88

[Segment of lecture by Soviet Foreign Minister Eduard Shevardnadze at a Tokyo hotel "after ending talks" with Foreign Minister Uno on the evening of 20 December; in Russian with simultaneous Japanese translation by newscaster Mariko Kobayashi—recorded; from the "News Today" program]

[Text] [Video shows Shevardnadze standing at a podium, speaking before audience] We can and must open a new chapter in Soviet-Japanese relations, with you. We should cooperate, in the interests of all mankind. We can and must do so. If there is an unsettled issue between us, we should converse and have a dialogue to find a clue to its solution. However, we should never hold all other matters hostage for the solution of this issue. I am convinced: On this we should be satisfied. [as heard] There are factors clearly related to a dynamic move. First of all, there is a desire to open a new chapter: a new page in Soviet-Japanese relations.

The Soviet side has regularly and consistently proposed that the issue of a peace treaty be studied and that this proposal be written on a new page. We should study a

mutually annoying problem within this framework. It is our intention to tackle this issue at a working group. The talk will be conducted at a level of the two countries' foreign deputy ministers.

In our talks I have agreed with Foreign Minister Uno to achieve closer relations between the two countries. We are also thinking of a Soviet-Japanese summit meeting. This is not a matter of the distant future. The summit meeting has been put on our political schedule. However, we should make full preparations.

In the Soviet Union people view future bilateral relations from a new international angle. It should not be simply geographical proximity that satisfies us. We aspire to greater and better things. If there remains a sore spot somewhere, we intend to take remedial measures with a new way of political thinking.

USSR Mulls IMF Membership

OW2012143588 Tokyo KYODO in English 1359 GMT 20 Dec 88

[Text] Tokyo, Dec. 20 KYODO—Soviet Foreign Minister Eduard Shevardnadze on Tuesday called for continued efforts to settle "unresolved problems" between Japan and the Soviet Union, if they exist.

Shevardnadze's, use of the phrase during his hour-long speech given at a Tokyo Hotel in the evening, is considered as a veiled reference to the existence of a territorial dispute with Japan over four small islands off Hokkaido—Etoro ū, Kunashiri, Shikotan and the Habomai group, which the Soviet Union seized after World War II.

Although Japan and the Soviet union have already shown they can survive on their own, mutual cooperation is needed if healthy international exchanges are to occur, he said.

Shevardnadze, who is on a four-day visit to Japan through Wednesday, said progress in bilateral relations must not be held hostage to any single issue. Japan has argued, however, that the settlement of the territorial dispute is a precondition for developing closer ties between Tokyo and Moscow.

Shevardnadze said the Soviet Union is considering the future of its policy toward Japan in light of new international realities.

Even if there remains "something painful" between the Soviet Union and Japan, Moscow intends to adopt a fresh approach on the basis of new thinking, he said.

Shevardnadze said he and Japanese Foreign Minister Sosuke Uno have agreed to engage more frequently in dialogue at the foreign ministerial level to pave the way for a Japan-Soviet summit.

Although, he did not indicate any clear timetable for Kremlin leader Mikhail Gorbachev's possible visit to Japan, the Soviet foreign minister said such a trip could be held in the near future.

Shevardnadze said he is fully satisfied with the latest three rounds of regular consultations with Uno, which he said will help open a new chapter in Soviet-Japanese relations.

Saying that the Soviet Union proposed establishing a working group on reaching a bilateral peace pact, the Soviet foreign minister said such a group would discuss all areas of concern to both nations.

He said the United Nations and its affiliated agencies are the best place to work out rules and standards acceptable for all parties, adding that the Soviet Union is studying the possibility of joining the International Monetary Fund, the World Bank and other international bodies.

Gorbachev's perestroika (restructuring) initiative must operate hand in hand with a policy of peaceful coexistence, he added.

Shevardnadze Meets Japanese Leaders

OW2012155888 Tokyo KYODO in English 1445 GMT
20 Dec 88

[Text] Tokyo, Dec. 20 KYODO—Japanese Foreign Minister Sosuke Uno and his Soviet counterpart Eduard Shevardnadze on Tuesday concluded their second and final day of talks without finding common ground on the territorial dispute that has dogged relations between their two countries throughout the postwar period.

The pair agreed, however, to continue dialogue on the islands issue and other pending matters by extending the life of three ad hoc working-level committees which held their first meetings early Tuesday.

Attention is now being focused on the content of a joint communique summarizing the two-day consultations which will be issued Wednesday after Shevardnadze meets with reporters in Tokyo and departs for the Philippines.

Japanese Foreign Ministry officials said that while neither side veered from their basic stances on the four Soviet-occupied islands, the Soviets took equal part in the discussions on the territorial dispute for the first time in recent memory.

The new Soviet openness is in marked contrast to the adverse reactions they exhibited whenever Japan broached the subject in the last two foreign ministerial talks in 1986, the officials said.

Officials said three hours were spent on the territorial issue in the ministerial-level talks, and another 3 hours in the working-level discussions on Tuesday.

The four islands, which lie off northeastern Hokkaido, were seized by Soviet troops two weeks after Japan's surrender in World War II. The territorial dispute has chilled relations between the two countries ever since and has blocked progress toward the signing of a Soviet-Japan peace treaty.

Shevardnadze, who arrived in Japan on Sunday, met earlier Tuesday with Prime Minister Noboru Takeshita, Liberal Democratic Party (LDP) Secretary General Shintaro Abe, Former Prime Minister Yasuhiro Nakasone and Japan Socialist Party Chairwoman Takako Doi.

Shevardnadze closed out his day with an hour-long speech at a Tokyo hotel.

During his hour-long meeting with Takeshita, Shevardnadze stated that Kremlin leader Mikhail Gorbachev has already placed a Japan visit on his calendar, although he did not say when such a visit would take place.

While taken as an indication of Gorbachev's renewed willingness to come to Japan, Shevardnadze's comments came as a disappointment to those expecting the current talks to produce a date for what would be the first to Japan by a top Kremlin leader.

Shevardnadze called on Japan to engage in a wide-ranging dialogue with the Soviet Union at the summit level and invited Takeshita to visit Moscow. He handed Takeshita a personal letter from the Soviet leader, the contents of which were not disclosed.

The Soviet foreign minister also sounded Takeshita out on the prospects of boosting economic and other ties if the impasse over the islands remains unresolved.

Takeshita responded that the Soviet Union should first give "serious consideration" to returning the so-called "northern territories" of Kunashiri, Etorofu, and Shikotan Islands and the Habomai group.

Shevardnadze told Abe, secretary general of the ruling party, that the Soviet union is willing to act as an intermediary in improving Japan's relations with North Korea.

He also said a favorable trend has emerged in relations between Seoul and Pyongyang and pledged Moscow's efforts in decreasing tension on the Korean peninsula.

Abe, who met with Shevardnadze in January and May 1986 when he was Japanese foreign minister, called on Moscow to cooperate with Japan in solving "humanitarian problems," with regard to two Japanese seamen being held captive in North Korea for allegedly helping a North Korean soldier defect to Japan.

Shevardnadze said that when he goes to Pyongyang he will relay Japan's desire to see the matter resolved and relations between the two countries improved.

After meeting with Nakasone, the grey-haired Politburo member then received Japan Socialist Party Chairwoman Takako Doi at the Soviet Embassy, their first meeting, and spoke of the need to expand bilateral dialogue beyond the territorial dispute.

Meanwhile, in the absence of Uno and Shevardnadze early Tuesday, the working-level negotiating teams carried on separate discussions in preparation for the third and final ministerial session.

The group formed to debate "obstacles in the way of concluding a peace treaty," led by Japanese Deputy Foreign Minister Takakazu Kuriyama and his Soviet counterpart Igor Rogachev, conducted "frank and serious discussions" on the thorny territorial issue but failed to break their deadlock, officials said.

Another group organized to discuss bilateral issues disagreed on how future trade ties between Moscow and Tokyo should progress.

The Soviets called for the conclusion of trade pacts and increased Japanese investments in projects located in its littoral provinces. The Japanese, however, stressed the need for bilateral political stability to be achieved as a prerequisite to increased economic ties.

The group formed on regional issues agreed on the need to promote a political settlement of the Kampuchean conflict which would block the reemergence of "an inhumane group," officials said. The reference is believed to be to the Khmer Rouge group which ruled over a bloody period in the country's history.

After the conclusion of the ministerial talks, Japanese and Soviet teams entered into final negotiations on the wording of the joint communique.

In reference to the islands, the communique is not expected to use the word "territory." Japan has expressed hope that the Soviets will agree to use a clearer expression than "pending problems" in hinting at the existence of the territorial dispute.

The communique is also expected to mention the desirability of mutual visits by the top leaders of each country and establish that the next round of regular ministerial talks will be held in Moscow.

In his address on Tuesday evening, Shevardnadze said that bilateral ties should not be held hostage to any single issue and called for a continued dialogue to end the stalemate.

At the beginning of their third and final round of talks, the ministers also exchanged two sets of diplomatic documents on bilateral cultural exchanges and protection for migratory birds.

Shevardnadze Holds News Conference

OW2112032088 Tokyo KYODO in English 0255 GMT
21 Dec 88

[Text] Tokyo, Dec. 21 KYODO—Soviet Foreign Minister Eduard Shevardnadze said here Wednesday that he and Japanese Foreign Minister Sosuke Uno discussed matters which could form the contents of a Japan-Soviet peace treaty.

Shevardnadze, speaking at the Japan National Press Club, said the talks were conducted on the basis of a 1973 joint statement, issued by the then Japanese and Soviet leaders, Kakuei Tanaka and Leonid Brezhnev.

The 1973 communique says the two countries shared the view that settlement of problems unresolved after World War II and conclusion of a bilateral peace pact would contribute to establishing truly good neighborly and friendly ties between them.

Japanese Foreign Ministry officials recalled that Brezhnev replied "da" (yes) in response to Tanaka's question whether the "problems unresolved" included a territorial dispute over four small islands off Hokkaido, which the Soviet Union seized after the war.

Shevardnadze, winding up a 4-day visit to Japan, said Wednesday that the two sides exchanged views over removal of difficulties which exist in their bilateral relations and discuss the historical and political aspects of those problems.

The Soviet foreign minister also said Japan and the Soviet Union agreed to establish a vice minister-level standing working group which will continue discussions to promote negotiations for the peace pact.

Further on News Conference

OW2112090288 Tokyo KYODO in English 0653 GMT
21 Dec 88

[Text] Tokyo, Dec. 21 KYODO—Soviet Foreign Minister Eduard Shevardnadze said here Wednesday that the Soviet Union and Japan will use their 1973 joint communique as a point of departure for future discussions on a territorial dispute.

Speaking to reporters at the Japan National Press Club just prior to his departure for Manila, Shevardnadze also said that he and Japanese Foreign Minister Sosuke Uno agreed to establish a group of experts, headed by their deputies, to continue working-level dialogue on the issue of a peace treaty.

Rejecting earlier bilateral accords relating to the so-called "northern territories" claimed by Japan but occupied by the Soviets since shortly after World War II, Shevardnadze said the October 10, 1973 joint statement is "the most appropriate formulation to begin serious discussions on a peace treaty."

They grey-haired Communist Party Politburo member said the new joint statement contains a provision stating that the 1973 summit communique will serve as the basis for further talks on removing obstacles that have prevented the signing of a peace treaty, an indirect reference to the territorial dispute.

In the 1973 communique, issued by the Japanese Prime Minister Kakuei Tanaka and Soviet leader Leonid Brezhnev, the two countries agreed that unresolved problems pending since the last war should be settled and a peace pact concluded in order to establish a basis for normalized relations.

Shevardnadze indicated to reporters that Moscow has disavowed the relevant passage on the territorial issue in the 1956 joint declaration, which provided for the return of two of the occupied islands claimed by Japan. The 1956 statement reestablished diplomatic ties between Tokyo and Moscow.

When asked why the Soviets retreated from the 1956 agreement ratified by the Supreme Soviet and the Japanese Diet, Shevardnadze replied, "you know very well what happened after 1956, how the situation changed," said Shevardnadze.

Moscow issued a memorandum in 1962 accusing Japan of invalidating the agreement by renewing its security arrangement with the United States.

Japan has interpreted the 1956 agreement to mean that all four islands should be returned en bloc as a prerequisite to a peace treaty, while the Soviets have stated publicly that they intend to make no territorial concessions.

Implying that the 1956 agreement is now a product of a bygone age, Shevardnadze said the Soviets consented to discuss the territorial issue in the vein of "longstanding questions dating back to 1855, 1875, and 1905."

While each side remained glued to their original "basic stances," Japanese Foreign Ministry officials noted a significant change in Soviet willingness to confront the territorial issue head-on, in contrast with its past refusal to acknowledge the issue.

Shevardnadze said the latest communique will include a passage saying that, "at the negotiations each side set forth its understanding of the historical and political aspects relating to the differences which still exist in the bilateral relationship."

On the contents of an eventual peace treaty, Shevardnadze said, "it is not just a piece of paper, it represents an amalgamation of political, economical, geographical and other questions."

Speaking of the fluid international situation which he said Soviet leader Mikhail Gorbachev has helped bring about, Shevardnadze noted that, "many things that used to seem impossible once have now become facts on the world political landscape."

"I like Mr. (Prime Minister Noboru) Takeshita's remark that no problems are unsolvable when there is a willingness to solve them," he said. Shevardnadze met with Takeshita on Tuesday and invited him to visit Moscow.

Shevardnadze said Soviet-Japan relations "have been placed in a new kind of political environment, and called on them not to lag behind in the flow of historical development and in the progressive trend of world politics."

He called on relations to be a two-way street. "It is not a matter of one side conceding anything, doing more than the other," he said.

In assessing his Japan visit, Shevardnadze said, "We attained a degree of understanding which allows us to speak of beginning a new chapter in Soviet-Japan relations." He characterized the talks as "good in atmosphere and substantive in content."

The Soviet foreign minister noted that Japanese newspapers have been hailing the talks as a "diplomatic victory" for Japan, and said, "so be it. This is a victory for realistic policies."

On the possibility of a visit by Gorbachev to Japan, Shevardnadze noted that he will meet with Uno again in Paris in the first half of January at an international meeting on chemical weapons, and again in Moscow next spring for the next round of regular ministerial talks.

He said that in their coming meetings, the two ministers, whom he said are "beginning to act as a preparatory committee for the summit," will gain a more precise idea on the date and agenda of the summit.

Questioned on expanded trade relations with South Korea and the likelihood that the Soviet Union will follow Hungary's example in opening up diplomatic relations, Shevardnadze said the two are not to be equated.

'Text' of Joint Communique

OW2112092088 Tokyo KYODO in English 0825 GMT
21 Dec 88

[Text] Tokyo, Dec. 21 KYODO—The following is the full text of the Japan-Soviet joint communique as translated by the Foreign Press Center:

Japan-Soviet Joint Communique December 21, 1988

At the invitation of the government of Japan, E.A. Shevardnadze, member of the Politburo of the Soviet Communist Party Central Committee and Minister of foreign affairs of the Soviet Union, paid an official visit to Japan from December 18 to 21, 1988.

Soviet Foreign Minister Shevardnadze met with Prime Minister of Japan Noboru Takeshita. In this meeting they emphasized the great significance of summit-level dialogue between the two countries in furthering development of their bilateral relations. In this connection, Prime Minister Takeshita confirmed the invitation to Chairman of the Presidium of the Supreme Soviet and General Secretary of the Soviet Communist Party Central Committee M.S. Gorbachev to pay an official visit to Japan.

Foreign Minister Shevardnadze said that Chairman of the Presidium and General Secretary Gorbachev would be prepared to visit Japan in the context of an overall improvement in relations between Japan and the Soviet Union. In this connection, Minister for Foreign Affairs of Japan Sosuke Uno and Soviet Foreign Minister Shevardnadze agreed to carry out preparatory works, centering on meetings between themselves, for a visit by the chairman.

The Soviet side conveyed an invitation to Prime Minister of Japan Takeshita to pay an official visit to the Soviet Union.

On behalf of the government and the people of Japan, Prime Minister Takeshita expressed to Soviet Foreign Minister Shevardnadze deep sympathy for the tragic natural disaster which hit Armenia of the Soviet Union. On behalf of the leadership and the people of the Soviet Union, Soviet Foreign Minister Shevardnadze expressed deep gratitude for the sympathy and assistance extended by the government and the people of Japan.

Japanese Foreign Minister Uno and Soviet Foreign Minister Shevardnadze held talks as part of the regular consultations. In the talks, discussions were held on problems in relations between Japan and the Soviet Union and pressing international issues of concern to both sides.

Soviet Foreign Minister Shevardnadze explained the gist of the proposals which Chairman of the Presidium and General Secretary Gorbachev put forward at the 43rd session of the United Nations General Assembly, including the proposed unilateral and substantial reduction of the Soviet armed forces in the European and Asian parts of the Soviet Union.

Japanese Foreign Minister Uno explained the policies basic to Japan's foreign relations and explained that Japan will carry out international cooperation initiative

which Prime Minister Takeshita announced at London in May 1988 and will contribute to the international community commensurate with Japan's increasing economic capability.

The two ministers positively assessed the constructive and useful elements included in the proposals by the two sides.

Japanese Foreign Minister Uno and Soviet Foreign Minister Shevardnadze confirmed the intention of both sides to improve the relations between Japan and the Soviet Union. The two ministers agreed upon the possibility and necessity of making efforts with a view to opening a new chapter in the development of the relations between Japan and the Soviet Union.

They expressed the shared view that the development of Japanese-Soviet relations will not only be in the interests of the two countries but will also contribute to peace and stability in the Asia-Pacific region and hence in the world.

The two ministers agreed upon the usefulness of the furtherance of exchanges between politicians from the two countries, including high-level politicians.

The two ministers confirmed their agreement to continue to hold the regular consultations between the foreign ministers of the two countries at least once a year, alternating between Tokyo and Moscow, and agreed to expand their mutual contacts making use of other possible venues. Soviet Foreign Minister Shevardnadze extended an invitation to Japanese Foreign Minister Uno to pay an official visit to the Soviet Union in 1989 for the purpose of holding the next consultations. The invitation was accepted with gratitude. The concrete timing of the visit will be agreed upon through diplomatic channels.

The two ministers conducted the negotiations on the conclusion of a peace treaty, including the problems which might constitute the content of said treaty, on the basis of the agreement affirmed in the joint communique of October 10, 1973. In the negotiations, the two sides expressed their respective understandings on the historical and political aspects relating to the elimination of the difficulties existing in their bilateral relations.

In this connection, the two ministers agreed to establish a permanent working group at the vice foreign minister level and to give instructions to continue consultations in said working group in order to further promote the negotiations on the conclusion of a peace treaty conducted between the two ministers.

The two ministers, positively assessing the fact that vice foreign minister-level consultations have been held annually, expressed their consent to the continuation of said consultations. The next round of consultations will be held in Tokyo at a time in 1989 to be agreed upon by the two sides.

They also positively regarded the holding of consultations on the United Nations and on the Middle East between the Japanese and Soviet Foreign Ministry offices concerned.

The two sides agreed to expand the exchange between the two countries' Foreign Ministry officials in order to broaden their knowledge and deepen their mutual understanding.

Japanese Foreign Minister Uno and Soviet Foreign Minister Shevardnadze greatly appreciated that the trade and economic consultations and the meeting of the committee on scientific and technological cooperation are being held between the two governments on a regular basis and the first meeting of the Japan-Soviet commission on cultural exchange has been held, thus contributing to expanded dialogue and cooperation between the two countries.

Based on the results of 11th joint meeting of the Japan-Soviet and Soviet-Japan economic committees and the Japan-Soviet intergovernmental trade and economic consultations, the two ministers said that they were prepared to facilitate further expansion of trade and economic relations between Japan and Soviet Union based on mutual benefit, taking into account perestroika in the Soviet Economy and structural changes in the Japanese economy.

The two ministers confirmed their intention to make further efforts for the expansion of cooperation in the fishery field in accordance with the agreement between the Government of Japan and the Government of the Soviet Union concerning mutual relations in the field of fisheries off the coast of both countries and the agreement between the Government of Japan and the Government of the Soviet Union concerning cooperation in the field of fisheries and on the basis of the principle of mutual benefit.

In accordance with the agreement between the Government of Japan and the Government of the Soviet Union concerning cultural exchanges, the two ministers exchanged diplomatic notes to effect the program for the implementation of the agreement during the period from April 1, 1989, through March 31, 1991, which were worked out in the first meeting of the Japan-Soviet Commission on Cultural Exchanges and expressed their intention to facilitate the smooth implementation of the program.

The two ministers positively assessed that two areas of cooperation—protection of the environment and earthquake prediction—were further added to the already agreed cooperation in the five areas of agriculture and forestry, nuclear fusion, radiotherapeutics, wave gears and artificial hearts in the program for scientific and technological cooperation adopted on the occasion of the fifth meeting of the Japan-Soviet committee on scientific and technological cooperation held in December this year.

The two sides expressed their conviction that progress will be made in cooperation in accordance with the convention between the Government of Japan and the Government of the Soviet Union for the protection of migratory birds and birds in danger of extinction, and their environment which entered into force on December 20, 1988.

In regard to the request by Japanese Foreign Minister Uno concerning visits to Japanese graves by members of the bereaved families, the Soviet side said that it would respond positively on this matter from a humanitarian standpoint.

The two ministers held detailed and frank exchange of views on the current international situation, including the issue of peace and disarmament, regional issues, and the Asia-Pacific situation.

The two sides expressed their satisfaction that positive development has been seen in international relations recently. While positively assessing the development of U.S.-Soviet dialogue, in particular, summit meetings, in the process of which improvement of East-West relations has been witnessed including the signing and effectuation of the INF agreement as well as the signing of the Geneva accord on the Afghanistan issue, the two ministers stressed the need to make continued efforts for constructing stable East-West relations in the areas of arms control and disarmament, the solution of regional issues, and the protection of human rights.

While stressing the need to make further efforts for securing peace and stability in the Asia-Pacific region, the two sides said that they would make positive contributions from their respective standpoints to achieve this objective, including the relaxation of tensions on the Korean peninsula and the resolution of the Kampuchean problem.

The agreement of views on the importance of strengthening the role of the United Nations for securing peace and international security as well as of improving the effectiveness of its activities was confirmed.

Mutual understanding has been reached that the two sides would continue the exchange of views and expand the dialogue on pressing issues facing the international community in order to further accelerate the positive trends seen in the current international situation.

Useful exchanges of views were held both in the working group on bilateral relations and in the working group on regional issues in order to study the issues taken up in the consultations between the two ministers in more detail.

Japanese and Soviet foreign ministerial consultations held in Tokyo were conducted in a businesslike and frank atmosphere and proved substantial and useful to both sides.

Moscow TASS Version of Communiqué
*LD2112101988 Moscow TASS International Service
in Russian 0722 GMT 21 Dec 88*

["Joint Soviet-Japanese Communiqué"—TASS headline]

[Text] [No dateline—as received] E.A. Shevardnadze, member of the CPSU Central Committee Politburo and USSR Foreign Minister, paid an official visit to Japan from 18 to 21 December 1988 at the invitation of the Japanese Government.

E.A. Shevardnadze had a meeting with Japanese Prime Minister Noboru Takeshita. During the course of the meeting the sides emphasized the great significance of a dialogue between the supreme leaders of both countries for the further development of bilateral relations. In this connection Prime Minister N. Takeshita reaffirmed the invitation to M.S. Gorbachev, general secretary of the CPSU Central Committee, chairman of the USSR Supreme Soviet Presidium, to pay an official visit to Japan.

E.A. Shevardnadze stated that M.S. Gorbachev would be prepared to visit Japan within the context of a general improvement in Soviet-Japanese relations. In this connection an understanding had been reached between the USSR foreign minister and the Japanese foreign minister on carrying out preparatory work for this visit, at the center of which would be meetings between the USSR and Japanese foreign ministers.

The Soviet side passed on an invitation to N. Takeshita, prime minister of Japan, to pay an official visit to the Soviet Union.

On behalf of the government and people of Japan, the prime minister expressed sincere sympathy to E.A. Shevardnadze in connection with the tragic natural disaster which hit Soviet Armenia. On behalf of the Soviet people and the leadership of the Soviet Union, the USSR foreign minister expressed deep gratitude to the people and government of Japan for the sympathy and aid rendered.

In the form of a regular consultative meeting, E.A. Shevardnadze and Sosuke Uno, Japanese foreign minister, held talks during which questions of Soviet-Japanese relations and also topical international problems of mutual interest were discussed.

E.A. Shevardnadze explained the essence of the initiatives put forth by M.S. Gorbachev at the 43d UN General Assembly session, including those relating to the significant unilateral reduction of Soviet armed forces in the European and Asian parts of the Soviet Union.

S. Uno set out the basic course of Japanese diplomacy and explained that Japan will conduct the "initiative on international cooperation" proclaimed by Prime Minister N.

Takeshita in London in May 1988 and will make a contribution in the interests of the international community in accordance with its growing economic potential.

The ministers gave a positive assessment of the constructive and positive elements contained in the two sides' initiatives.

E.A. Shevardnadze and S. Uno confirmed the aspiration of the two sides to improve Soviet-Japanese relations. They agreed that they can and should strive to open a new chapter in their development.

The common opinion was expressed that a progressive development in relations between the two countries is in keeping not only with their own interests but also with the cause of peace and stability in the Asian-Pacific Ocean region and throughout the world.

The ministers arrived at a common opinion on the usefulness of the further development of contacts between political figures of the two countries, including at summit level.

The sides reaffirmed their accord on holding regular consultative meetings between the foreign ministers of the two countries at least once a year alternately in Moscow and Tokyo and they also agreed to expand their reciprocal contacts using other possibilities. E.A. Shevardnadze, USSR foreign minister, invited S. Uno, Japanese foreign minister, to pay an official visit to the Soviet Union in 1989 to hold the next consultative meeting. The invitation was accepted with gratitude. Specific dates for the visit will be agreed through diplomatic channels.

In line with an accord registered in the joint Soviet-Japanese statement of 10 October 1973, the ministers held talks concerning the conclusion of a Soviet-Japanese peace treaty including the issues which might be part of one. At the talks, each side set forth its understanding of the historical and political aspects connected with the elimination of the difficulties existing in bilateral relations.

In connection with this, the ministers agreed to set up a permanently operating working group at the level of their deputies and to instruct this group to continue within its discussion with the aim of promoting the further progress of talks being held between the foreign ministers.

The sides made a positive appraisal of the practice of annual consultations at the deputy foreign minister level between the two countries, and spoke in favor of continuing it. The next such consultation will take place in Tokyo in 1989 at a time agreed by the sides.

A positive appraisal was also made of the practice of consultations between the relevant subdepartments of the USSR Foreign Ministry and the Japanese Foreign Ministry on issues connected with the work of the United Nations, and also on those concerning the situation in the near East.

The sides agreed to expand the practice of exchanging Foreign Ministry staff of the two countries with the purpose of familiarization and deepening of mutual understanding.

E.A. Shevardnadze and S. Uno appraised highly the regular staging of consultations between the governments of the two countries on trade and economic questions and of sessions of the commission on scientific and technological cooperation, and also the staging of the first session of the Soviet-Japanese commission on cultural ties as a contribution to the expansion of dialogue and cooperation between the two countries.

Basing themselves on the results of the 11th meeting of the Soviet-Japanese and Japano-Soviet committees for economic cooperation and the Soviet-Japanese intergovernmental consultations on trade and economic questions which have been held, the ministers expressed their readiness to further the continuing expansion of trade and economic relations between the USSR and Japan on the basis of mutual advantage, taking into account the economic restructuring in the Soviet Union and the structural changes in the economy of Japan.

The common intention was stressed to put further effort into expanding cooperation in the domain of fisheries in accordance with the agreements between the Government of the USSR and the Government of Japan on mutual relations in the domain of fishing off the coasts of both countries, and on cooperation in the domain of fisheries, starting out from the principal of mutual advantage.

In accordance with the agreement between the Government of the USSR and the Government of Japan on cultural links, the ministers exchanged diplomatic notes on the coming into force of the program worked out at the first session of the Soviet-Japanese commission on cultural links in December 1988 in Tokyo, implementing the aforementioned agreement for the period from 1 April 1989 to 31st March 1991, and they expressed their desire to contribute to its successful implementation.

The sides assessed positively the fact that two more fields—conservation of the environment and earthquake forecasting—have been added to the program of scientific-technical cooperation, adopted at the fifth session of the Soviet-Japanese commission for scientific-technical cooperation held in December this year, in addition to the previously agreed five fields of cooperation, namely agriculture and forestry, thermonuclear synthesis, radiation medicine, wave gear systems, and artificial hearts. They expressed satisfaction at the progress of the

scientific-technical cooperation being carried out between the two countries on the basis of mutual advantage and agreed to promote its further advancement.

The sides expressed the conviction that on the basis of the convention between the Government of the USSR and the Government of Japan on the protection of migrant birds and birds under threat of extinction, and their habitat, which came into force on 20 December 1988, cooperation in this field will develop.

In connection with the request of S. Uno, Japanese foreign minister, concerning visits by Japanese people to the burial places of their relatives, the Soviet side stated that, guided by feelings of humaneness, it will take a positive approach on this question.

There was a thorough and frank exchange of opinion on the state of the current international situation, including questions of peace and disarmament, regional problems, and the situation in the Asian-Pacific region.

The sides expressed satisfaction with the fact that lately positive changes have been taking place in international relations. The ministers gave a positive appraisal of the progressive development of the dialogue between the Soviet Union and the United States, in particular the holding of Soviet-U.S. summit meetings and the improvement of East-West relations achieved during the course of this dialogue, including the signing and coming into force of the treaty on the elimination of medium and shorter-range missiles, and the signing of the Geneva agreements on Afghanistan. They stressed the need for the continuation of efforts in the field of disarmament and arms control, the settlement of regional problems, and the securing of human rights in order to establish stable relations between East and West.

The sides stressed the need for further efforts toward ensuring peace and stability in the Asian-Pacific region, and declared that they will each proceed from their own positions in making a positive contribution to the achievement of this goal, including the easing of tension in the Korean peninsula, the settlement of the Cambodian question, and other issues.

Agreement about the importance of enhancing the role of the United Nations in guaranteeing peace and international security, and of enhancing the effectiveness of its work, was ascertained.

Mutual understanding was reached that with the aim of further strengthening positive tendencies in the contemporary international atmosphere, the sides will continue to conduct an exchange of opinions and expand the dialogue on topical problems confronting the world community.

A useful discussion was also held in working groups on bilateral relations and on regional problems, for a more detailed examination of issues raised during the meetings between the ministers.

The Soviet-Japanese talks held in Tokyo passed in a businesslike and frank atmosphere, and were meaningful and useful for both sides.

Reporters Briefed on Communiqué

*OW2112115588 Tokyo KYODO in English 1049 GMT
21 Dec 88*

[Text] Tokyo, Dec. 21 KYODO—Japan and the Soviet Union have agreed to continue negotiations to try and conclude a bilateral peace treaty, said a joint communiqué issued here Wednesday.

The communiqué, embodying a vague reference to Japan's call for the return of four Soviet-held islands east of Hokkaido, said Foreign Ministers Sosuke Uno and Eduard Shevardnadze "conducted negotiations on the conclusion of a peace treaty, including the problems which might constitute the content of the said treaty."

The seven-page document written in Japanese, issued at the end of Shevardnadze's four-day visit to Japan, does not specify the problems, which Japanese officials said mean the territorial dispute over Etorofu, Kunashiri, Shikotan and the Habomai Island group, seized at the end of World War II.

"The two sides expressed their respective understandings on the historical and political aspects relating to the elimination of the difficulties existing in their bilateral relations," it said.

Uno, meeting reporters after issuing the communiqué, said that extensive political dialogue had been established between Tokyo and Moscow through three rounds of talks with Shevardnadze.

Uno also said that his meetings with Shevardnadze would give an impetus to Japan-Soviet relations, which have often been interrupted by the long-standing territorial issue.

The communiqué said the two foreign ministers conducted the negotiations on the basis of the 1973 joint communiqué, issued by then Japanese Prime Minister Kakuei Tanaka and Soviet leader Leonid Brezhnev.

The 1973 statement says the two countries shared the view that settlement of problems, unresolved after World War II, and conclusion of a bilateral peace pact would contribute to establishing neighborly and friendly ties.

A Foreign Ministry official, who briefed reporters about the contents of the communiqué, said that the Japanese side was successful in enlarging bilateral relations and promoting the territory talks.

The official, however, acknowledged that the Soviet Union has been tough on Japan's demand for the return of the islands throughout the talks both at foreign minister and working group levels.

In the two previous communiqués, issued in January and May 1986, Japan and the Soviet union used a similar expression in saying that both sides conducted talks on a peace treaty, including the problems which might constitute its contents.

Explaining the phrase "difficulties existing in their bilateral relations" as stated in the latest communiqué, the official said these include the territorial dispute, although the word "territory" is not used.

Uno said that inserting such a new phrase will be useful in future bilateral negotiations on the territorial issue.

The Japanese foreign minister reiterated that the settlement of the territorial dispute is the main Japanese theme in negotiating the peace treaty, which will formally end wartime hostilities.

Japan and the Soviet union restored diplomatic ties in 1956 by the Japan-Soviet joint declaration but failed to conclude a peace pact due to the territorial problem.

Since then Moscow has not acknowledged the existence of the territorial issue in any joint communiqué and has not used the word "territory."

On the Japan-Soviet summit meeting, the two countries agreed in the communiqué to prepare for a visit by Soviet leader Mikhail Gorbachev to Japan in order to improve overall bilateral relations.

If he comes to Tokyo, Gorbachev will be the first Soviet leader to visit Japan. From Japan, four prime ministers have visited Moscow—Ichiro Hatoyama in 1956, Kakuei Tanaka in 1973, Zenko Suzuki in 1982 and Yasuhiro Nakasone in 1985.

The Soviet side conveyed an invitation to Japanese Prime Minister Noboru Takeshita to pay an official visit to Moscow, the communiqué said.

On bilateral relations, the communiqué said, "the two ministers agreed upon the possibility and necessity of making efforts with a view to opening a new chapter in the development of relations between Japan and the Soviet union." The Japanese foreign minister was invited to visit Moscow in 1989 to hold the next regular consultations and the concrete timing of the visit will be arranged through diplomatic channels, it said.

The date of Uno's visit to Moscow will be set some time next spring, according to the official who briefed the reporters.

Referring to regional problems, the communique said the two nations will make positive contributions to achieve the relaxation of tensions in the Asia-Pacific area, including the Korean peninsula and Kampuchea.

Concerning international affairs, the two sides expressed satisfaction over recent positive developments and agreed on the importance of strengthening the role of the United Nations and improving its activities.

Uno told the reporters Japan will never separate economic affairs from political ones, and turned down Soviet calls to promote economic and trade relations apart from political disagreements.

Shevardnadze, who visited Japan Sunday through Wednesday for the first time in two years and 11 months, headed for Manila later in the day to continue his three-nation Asian tour which will take him also to North Korea.

Obuchi Comments on Joint Communique

*OW2112101688 Tokyo KYODO in English 0927 GMT
21 Dec 88*

[Text] Tokyo, Dec. 21 KYODO—The Soviet Union's stance on its territorial dispute with Japan is as rigid as in previous talks, Chief Cabinet Secretary Keizo Obuchi said Wednesday.

The chief government spokesman told a regular news conference that talks with Soviet Foreign Minister Eduard Shevardnadze had confirmed that the Soviet position on the northern territories issue is the same as it has always been.

He said the government would continue to negotiate tenaciously with the Soviet Union to secure the return of the four islands off Hokkaido occupied by the Soviets since the end of World War II.

Obuchi said that while it is significant that a joint communique, issued the same day, contained both an acknowledgement of the territorial dispute and an expression of Soviet Leader Mikhail Gorbachev's willingness to visit Japan, a peace treaty with the Soviet Union has not been concluded because of the territorial issue.

It is clear that the "difficulties existing in bilateral relations"—the phrase used in the joint communique—means that the territorial dispute has not been settled, Obuchi said.

Businessmen View Communique

*OW2112105188 Tokyo KYODO in English 0957 GMT
21 Dec 88*

[Text] Tokyo, Dec. 21 KYODO—Japanese business leaders were disappointed by the lack of progress on the northern territories issue during Soviet Foreign Minister Eduard Shevardnadze's just-concluded visit to Japan.

Eishiro Saito, president of the Federation of Economic Organizations (Keidanren), said it was regrettable that no specific reference was made to the territorial dispute in a joint communique.

He said the communique failed to show any Soviet willingness to compromise over the return of four islands occupied by Soviet troops since the end of World War II.

Eiji Suzuki, chairman of the Japan Employers' Federation, however, said the latest talks represented an important breakthrough in the form of indirect references to the issue as a difficult problem existing between the two countries.

He also said he appreciated a Japanese-Soviet agreement to establish a forum to continue discussions on the matter.

Saito said he expected the Soviets to take a practical approach toward settlement of the issue over the course of discussions in the forum.

Takashi Ishihara, head of the Japanese Association of Corporate Executives, said it would be difficult to promote economic relations between the two countries without resolving the territorial dispute.

Rokuro Ishikawa, president of the Japan Chamber of Commerce and Industry, said Japan and the Soviet Union should expand dialogue on the principle that politics is inseparable from economics.

Abe Describes Talks as 'Fruitful'

*OW2112063788 Tokyo KYODO in English 0538 GMT
21 Dec 88*

[Text] Tokyo, Dec. 21 KYODO—Liberal Democratic Party Secretary General Shintaro Abe said Wednesday that the foreign ministers of Japan and the Soviet Union had conducted fruitful consultations in their meetings this week.

Abe told a press conference that Foreign Ministers Eduard Shevardnadze and Sosuke Uno fully exchanged opinions in a friendly atmosphere in discussing a territorial dispute, which he said is the biggest pending problem between the two countries. The two foreign ministers held three rounds of talks on Monday and Tuesday.

A Japan-Soviet joint communique does not mention the territorial issue directly but refers to the establishment of a permanent working group to continue talks to conclude a bilateral peace treaty, Abe said.

Abe, himself Japan's foreign minister until 2 years and 5 months ago, said Soviet leader Mikhail Gorbachev's visit to Japan has now become a realistic prospect.

Gorbachev's Japan visit will be realized in the not-too-distant future because the two countries have agreed to open preparations for a Japan-Soviet summit meeting, the LDP secretary general said.

Abe said the LDP will begin exchanges with the Soviet Communist Party next year, saying it is important to promote exchanges of high-level ruling party politicians.

On Tuesday, Abe had an hour-long meeting with Shevardnadze, who wound up a 4-day visit to Japan and left for Manila Wednesday.

Abe plans to head a high-powered LDP delegation in visiting Moscow some time in 1989. In return, the Soviet Communist Party will dispatch a mission led by a Politburo member, according to LDP sources.

LDP, CPSU To Exchange Delegations

OW2012142288 Tokyo KYODO in English 1402 GMT
20 Dec 88

[Text] Tokyo, Dec. 20 KYODO—The Liberal Democratic Party of Prime Minister Noboru Takeshita will send a high-powered delegation to the Soviet Union next year to promote dialogue between the two countries, LDP sources said Tuesday.

LDP Secretary General Shintaro Abe will head the mission, the sources said. The exact date of the visit has not been determined.

Abe and Soviet Foreign Minister Eduard Shevardnadze met earlier in the day and agreed to exchange visits of delegations from the LDP and the Soviet Communist Party, the sources said.

The LDP also hopes that the Soviet Communist Party will send a high-level mission to be led by a Politburo member, they said.

Shevardnadze Ends 4-Day Visit

OW2112033488 Tokyo KYODO in English 0321 GMT
21 Dec 88

[Text] Tokyo, Dec. 21 KYODO—Soviet Foreign Minister Eduard Shevardnadze left Tokyo for the Philippines capital of Manila on Wednesday, completing a 4-day visit to Japan.

During his stay in Tokyo, Shevardnadze held three rounds of talks with his Japanese counterpart Sosuke Uno.

He also met separately with Prime Minister Noboru Takeshita, his predecessor Yasuhiro Nakasone, Liberal Democratic Party Secretary General Shintaro Abe, and Japan Socialist Party Chairwoman Takako Doi.

Shevardnadze is currently on a three-nation Asian tour which will also take him to North Korea.

Uno Holds News Conference on Shevardnadze Visit
OW2112144688 Tokyo KYODO in English 1250 GMT
21 Dec 88

[By Tim Johnson]

[Text] Tokyo, Dec. 21 KYODO—Japan and the Soviet Union on Wednesday took a step forward in their frequently stalled journey towards resolving a dispute over four Soviet-occupied northern islands, a four-decade-old impasse that has chilled their relations throughout the postwar period.

Japanese Foreign Minister Sosuke Uno, at a press conference held shortly after his Soviet counterpart Eduard Shevardnadze departed from Japan, rounded off the high-charged diplomatic activity by releasing a joint communique summarizing the two-day regular ministerial talks, held in Tokyo for the first time in three years.

In what was hailed as an unprecedented move, a deputy ministerial-level standing committee was established to continue dialogue aimed at tackling "difficulties" standing in the way of a peace treaty.

The joint communique also incorporated an agreement reached by the foreign ministers on Monday to boost overall high-level political dialogue in order to set the stage for a summit meeting between Prime Minister Noboru Takeshita and Soviet Leader Mikhail Gorbachev.

Japanese Government sources said that the summit meeting is likely to be held in Tokyo for the first time ever late next year after the two foreign ministers meet in Paris early next month and again in Moscow in the Spring.

Shevardnadze held a press conference prior to his departure for the Philippines and North Korea, in which the Communist Party Politburo member welcomed the report that the two sides had established in their discussions.

"We attained a degree of understanding which allows us to speak of beginning a new chapter in Soviet-Japan relations," he said.

Japanese Foreign Ministry officials also stressed the new openness in which the two sides exchanged divergent views on the contentious territorial dispute, in contrast to the unresponsiveness previously exhibited by the Soviets when faced with territorial claims.

The officials hastened to point out, however, that neither side budged in their basic positions on the four islands, which Japan stakes historical and legal claim to as its "northern territories."

The talks at the Foreign Ministry's Iikura Guest House on Monday and Tuesday took place amid maximum police security to guard against attacks by ultrarightists

opposed to the Soviets' postwar seizure and occupation of Kunashiri, Etorofu and Shikotan Islands, and the Habomai Islets off Northeastern Hokkaido.

Uno was accompanied in the talks by Deputy Foreign Minister Takakazu Kuriyama and Takehiro Togo, director general for European and Oceanic Affairs, who later commanded separate working-level talks with the Soviets on the peace treaty issue and bilateral relations such as trade and fisheries.

The Soviet team included Vice Foreign Minister Igor Rogachev and Lyudvig Chizov, head of the Soviet Foreign Ministry's Asian and Pacific Affairs Section.

In the joint communique, the two sides reaffirmed their previously stated commitment to proceed with dialogue on peace treaty related subjects on the basis of the 1973 summit communique signed by then Prime Minister Kakuei Tanaka and Soviet leader Leonid Brezhnev.

Near the end of the more than five hours of peace treaty talks, which were variously described as both "heated" and "frank," the Soviets acceded to a Japanese request to add a clearer reference to the existence of a territorial dispute into the communique.

The previous two communiqués in 1986 indirectly referred to the territorial issue only in passing when they mentioned pending "problems which might constitute the content of said treaty," a phrase retained in the new communique.

After intensive bargaining, the two sides agreed to add a passage stating that the countries "expressed their respective understandings on the historical and political aspects relating to the elimination of the difficulties existing in their bilateral relations."

The Soviet flexibility demonstrated in the communique was taken by Japanese Government officials as a sign that the talks over the fate of the four islands are now on a new footing.

A Foreign Ministry source appraised the talks as "strengthening the momentum for dialogue" and said that frank and serious exchanges on the contentious issue can be expected to continue. He said the results of the talks had exceeded Japan's minimum expectations, which he described as "serious discussion" on the return of the four islands.

Shevardnadze, who arrived in Japan on Sunday, met separately on Tuesday with Takeshita, former Prime Minister Yasuhiro Nakasone, Liberal Democratic Party (LDP) Secretary General Shintaro Abe, and Japan Socialist Party Chairwoman Takako Doi.

Shevardnadze told Takeshita that Gorbachev is seriously considering a visit to Japan, however, he did not clarify when such a visit might take place. He also relayed an official invitation for Takeshita to visit Moscow.

Abe, who met with Shevardnadze in January and May 1986 when he was Japanese Foreign Minister, secured a pledge from the Soviet Foreign Minister to relay to Pyongyang Japan's concern over the fate of two of its seamen held prisoner there for allegedly assisting in the defection of a North Korean soldier.

In his meeting with Shevardnadze, Nakasone hailed Moscow's decision to scale down its 5 million-strong armed forces by 10 percent but said Japan is carefully watching how the troop reduction will be implemented, especially in regard to the Asia-Pacific region.

Uno and Shevardnadze exchanged two sets of diplomatic documents on bilateral cultural exchanges and protection for migratory birds and endangered birds shared by both countries.

Before entering into the first round of talks Monday morning, Shevardnadze visited the Imperial Palace and signed a register of well-wishers for the ailing Emperor Hirohito.

Takeshita To Visit U.S. 5-9 January
OW2012115188 Tokyo KYODO in English 1059 GMT 20 Dec 88

[Text] Tokyo, Dec. 20 KYODO—Prime Minister Noboru Takeshita plans to visit the United States January 5-9 for talks with President Ronald Reagan and President-Elect George Bush, government sources said Tuesday.

The prime minister will express thanks to Reagan for his contribution to strengthening Japan-U.S. relations and stabilizing the world situation, the sources said.

Takeshita also aims to establish a personal relationship with Bush and strengthen Japan-U.S. relations, they said.

The government hopes Takeshita will be able to have substantive talks with U.S. leaders particularly on such problems as Japan's rice trade policy and the continuing trade imbalance between the two countries, the sources said.

The government has been divided over whether Takeshita should wait to visit the United States until after Bush's inauguration on January 20, or whether he should make the trip as soon as possible.

British Prime Minister Margaret Thatcher, West German Chancellor Helmut Kohl and Soviet leader Mikhail Gorbachev have already visited the U.S., the sources noted.

Takeshita will change the schedule of his visit if Emperor Hirohito's condition suddenly worsens, the sources said.

Councillors Committee Passes Tax Reform Bills
*OW2112165488 Tokyo KYODO in English 1500 GMT
21 Dec 88*

[Text] Tokyo, Dec. 21 KYODO—Prime Minister Noboru Takeshita pushed ahead on Wednesday to clinch Diet approval of a package of six tax reform bills as his ruling Liberal Democratic Party rammed them through the House of Councillors' Tax System Committee.

The ruling party is set to vote on the bills in a plenary session of the upper house on Friday, LDP sources said.

The bills, which include one to impose a 3 percent consumption tax on April 1, 1989, will become law if the second chamber clears the package.

All major opposition parties, except the Democratic Socialist Party, strongly urged the president of the house, Yoshihiko Tsuchiya, to declare the passage invalid and to refer the bills again to the committee for further deliberations.

Tsuchiya, who belonged the LDP before he was elected president of the upper house earlier this year, remained noncommittal to the opposition demand, only saying he understood it, opposition sources said.

Angered at the LDP's forcible tactics, the Japan Socialist Party, the country's largest opposition party, said it will file a no-confidence motion against the cabinet of Prime Minister Takeshita with the powerful House of Councillors on Friday.

Besides the no-confidence motion in the lower house, the JSP and Japan Communist Party are ready to field motions censuring Takeshita and his cabinet members separately in order to slow the vote-taking process in the plenary session.

An LDP member abruptly entered a motion to terminate deliberations while a member of the minor opposition Niin Club was questioning the government at the Tax System Committee in the evening.

Opposition members rushed to the podium in an effort to block Matazo Kajiki, the LDP committee chairman, from adopting the motion and from taking a vote on the tax bills.

Protected by ruling party members and parliamentary guards, Kajiki called for a vote, which was swiftly approved by a show of hands overwhelmingly from LDP members.

Before taking a vote at the plenary session on Friday, the LDP is prepared to negotiate with two moderate opposition parties. Komeito and the Democratic Socialist Party (DSP), and propose technical changes.

Komeito and the DSP have shown a flexible attitude in joining the vote-taking plenary session if the governing party gives into their demands for improved welfare programs or flexible government management in collecting consumption taxes for a limited period, parliamentary sources said.

Prime Minister Takeshita, asked for a comment at his private residence, said that as head of the executive branch of power it is too early to make a comment on affairs in the legislative branch.

Tetsu Noda, chairman of the JSP Diet Affairs Committee, denounced the LDP's action which he said leads to a denial of the two-chamber parliamentary system.

Noda said the LDP is trying to put a lid on the six-month Recruit stock trading scandal which involves a number of politicians, senior government officials and business executives.

The tax bills, on which Takeshita has repeatedly said he stakes his political life, are regarded as the first major tax overhaul program in Japan in nearly four decades.

The bills call for a large reduction in income, resident and corporate taxes and instead for imposing the new indirect tax on all types of goods and services.

This is the LDP's third attempt in the past decade to impose a new indirect tax, following the "general excise tax" proposed by the cabinet of then prime minister Masayoshi Ohira and the "sales tax" put forward by the government of then prime minister Yasuhiro Nakasone.

Takeshita and the LDP said that their tax reform scheme is aimed at slashing dependence on revenues from direct taxes, which are currently too heavy on income taxes from wage-earners.

The imposition of the consumption tax is also designed to secure a stable source of revenue in order to prepare for the approaching aged society in Japan, they said.

Takeshita, who convened the current session of the Diet on July 19, said in a policy speech 10 days later that he would do all he could to achieve a sweeping tax reform.

The prime minister conducted a months-long stumping campaign across the country this autumn to garner popular support for the tax bills.

Deputy Prime Minister and Finance Minister Kiichi Miyazawa, who was the sole cabinet member named as recipient of unlisted Recruit Cosmos shares, stepped down from the cabinet on December 9. At that time, Miyazawa said he resigned from the post to pave the way for a smooth passage of the tax bills through the Diet.

NTT Management Group Donated Funds to LDP
*OW1712060588 Tokyo KYODO in English 0531 GMT
17 Dec 88*

[Text] Tokyo, Dec. 17 KYODO—According to sources within Nippon Telegraph and Telephone Corporation (NTT), a management group in the corporation, has been donating political support funds to sympathetic Diet members of the ruling Liberal Democratic Party. The donations reached at least 100 million yen a year, the source said.

Sixty-five percent of NTT, one of the largest corporations in the world, is owned by the Japanese Government.

The management group, named Zenkoku Kyogikai and established in 1985, consists of 20,000 NTT administrators. Donations of between 5,000 and 30,000 yen were collected every year from year-end bonuses. The money was then contributed it to the LDP for political purposes.

The revelation came on the heels of the recent resignation of two of senior NTT executives caught in the Recruit stock trading scandal. Those who resigned included the corporations chairman, Hisashi Shinto.

Shinto resigned Wednesday after 9 million yen was found to have been transferred to his bank account. The money was his share of a 21 million yen profit generated from the resale of 10,000 Recruit Cosmos shares bought by his former personal secretary.

DSP Chairman Urged To Resign by Predecessor
*OW1612175988 Tokyo KYODO in English 0553 GMT
16 Dec 88*

[Text] Tokyo, Dec. 16 KYODO—Democratic Socialist Party (DSP) Chairman Saburo Tsukamoto on Friday turned down a request from his predecessor Ryosaku Sasaki to resign from party leadership because of his involvement in the Recruit stock trading scandal, DSP sources said.

Sasaki, former chairman and currently advisor to the No. 3 opposition party, met Tsukamoto and urged him to step down.

Tsukamoto was quoted as saying that deal was a legitimate personal business transaction.

Tsukamoto and DSP Diet member Keishu Tanaka were among the 159 people who made huge profits through the purchase and sale of unlisted shares of Recruit Cosmos Co., a real estate subsidiary of information business giant Recruit Co.

North Korea

Olympic Chairman Proposes Asian Games Team
*SK2112044888 Pyongyang KCNA in English
0436 GMT 21 Dec 88*

[Text] Pyongyang December 21 (KCNA)—Kim Yu-sun, chairman of the Olympic Committee of the Democratic People's Republic of Korea, sent a letter today to the chairman of the Olympic Committee of South Korea. The letter was handed to the South Korean side in the conference room of the Neutral Nations Supervisory Commission in Panmunjom at 10 this morning.

The letter says:

The entire Korean people now unanimously hope that sportsmen of the North and the South will jointly participate as a single team in the 11th Asian Games to be held in Beijing in September 1990 for peace, friendship and the promotion of sports technique among Asian countries.

Our side has made from long ago every effort with all sincerity for the participation of a single team of the North and the South in the Olympic games and other international games.

Thanks to the earnest and steady efforts of our side, sports talks were held several times between the North and the South and there was some times a progress in the discussion of the question of forming a single team.

North-South sports talks on the issue of the formation of a single team, however, have not borne a fruit and the formation of a single team has not been realized yet.

It is really painful to our nation that the athletes of the North and the South should confront each other in rivalry at international games watched by other peoples, which are held in accordance with the idea of peace and friendship.

We should put an end at all costs to the abnormal situation in which fellow countrymen stand against each other in the international arena and, to this end, we should settle, first of all, the issue of jointly participating in the forthcoming 11th Asian Games as a single team.

If the North and the South form a single team and jointly participate in the 11th Asian Games, it will strengthen the unity and bonds between the athletes of the North and the South, demonstrate our nation's will for reunification all over the world and make a great contribution to the promotion of national reconciliation and unity.

From this point of view, I courteously propose to your side that the North and the South participate as a single team in the 11th Asian Games slated for September 1990.

I hope that a five-member delegation headed by vice-chairman of the Olympic committee on both sides will be formed to have talks at Panmunjom around the latter half of February, 1989 and discuss this matter.

There is sufficient time before the date of the opening of the games and the internal and external situation is favourable for our contact.

I am convinced that if both sides sit face to face and have earnest discussions without reserve from the stand of unity and reunification, the question of forming a North-South single team will be brought to a success without fail.

Korean Question Addressed by Delegates at UN
SK2112042088 Pyongyang KCNA in English
0413 GMT 21 Dec 88

[Text] Pyongyang December 21 (KCNA)—Delegates referred to the Korean question at the First Committee of the U.N. General Assembly, according to a report.

Touching upon the situation in the Asian-Pacific region, the Vietnamese delegate said that an anti-nuke struggle continues in this region.

Noting that countries in this region put forward proposals for peace and security, he stated that the Democratic People's Republic of Korea proposed talks for a peaceful reunification of the country.

The Cuban delegate stressed the need to ease the tense situation on the Korean peninsula.

The Belorussian delegate called for a peaceful solution of the Korean question. Malagasy delegate noted that a strained situation, not an atmosphere of peace, cooperation and mutual trust, has been created in various regions of the world and pointed to the strain of the situation on the Korean peninsula.

U.S. Veto of UN Resolution Denounced
SK2112042488 Pyongyang KCNA in English
0415 GMT 21 Dec 88

[Text] Pyongyang December 21 (KCNA)—The United States revealed once again its ugly color as a zealous patron of an aggressor and a disturber of peace in the Middle East when it vetoed a resolution denouncing Israel's acts of aggression against Lebanon at the United Nations Security Council a few days ago.

It is a basic condition for peace in the Middle East today to get the Israeli troops withdrawn from the occupied areas and guarantee the right to self-determination of the Palestinian people and their legitimate right to found their independent state. Accordingly, the resolution laid before the U.N. Security Council this time was entirely justifiable and anyone who wants peace in the Middle East should express approval of it.

Nevertheless, the United States zealously defended Israel, branding the patriotic forces of Lebanon as "terrorists" and, in the end, barred the adoption of the resolution by exercising veto. It was motivated in this by its interests in the Middle East area.

The U.S. veto was part of its schemes to save Israel from the predicament in which she is finding herself in face of the persistent anti-Israeli struggle of the Palestinian people continuing for one year or more and the strong protest and denunciation in all parts of the world and thus put it up as a shock brigade in strangling the national liberation movement of the Arab people and placing the Middle East area under its own domination.

With this zealous patronage and instigation of the U.S. imperialists the Zionists are becoming more high-handed in the Middle East.

As a result, the dangerous situation in the Middle East is further aggravating today.

The U.S. imperialists and the Zionists are the disturbers of peace in the Middle East and heinous enemies of the Arab people.

U.S.-Japan Military Exercises Denounced
SK2112104788 Pyongyang KCNA in English
1009 GMT 21 Dec 88

[Text] Pyongyang December 21 (KCNA)—The Ground Force General Staff office of the "Defence Agency" of Japan announced that the Japan-U.S. joint commanding post exercise will be held in Higashi-chitose from January 17 to 28 next year, according to a report.

It is to further round off preparations for the Japan-U.S. joint operation aimed at executing the U.S. imperialists' strategy to invade Korea and Asia.

Through the exercise, the U.S. imperialists pursue a vicious aim to cope with a new war of aggression in Korea by letting the Japanese "Self-Defence Forces" acquire the experience of the "team spirit" war rehearsal and lift their actual fighting capacities.

Accordingly, the joint commanding post exercise is to set in motion the aggressive system of the U.S.-Japan-South Korea triangular military alliance; it shows how wild they running to ignite a new war of aggression in Korea.

Peace and security in Asia are gravely threatened by the intensified aggressive and belligerent moves of the U.S. imperialists and the Japanese reactionaries against Korea.

The Asian people and world people are sharply watching with heightened vigilance their reckless war moves.

A news analyst of MINJU CHOSON today says:

What draws our keen notice is that the military manoeuvre will be held in severest winter in northern Hokkaido which is similar to the Korean peninsula in climate and topography. This is aimed at getting the commanders and men of the U.S. and Japanese aggression forces fully prepped to attack Korea and other Asian countries any moment.

Daily Urges U.S. To Respond to Peace Proposal
SK2112042988 Pyongyang Domestic Service in Korean
2119 GMT 19 Dec 88

[NODONG SINMUN 20 December 1988 special article: "Peace on the Korean Peninsula Is an Indispensable Requisite for Improving the Asian-Pacific Situation"]

[Text] Thanks to the positive struggle and efforts by the peace-loving forces the world over, a phase of detente is now steadily opening in international relations and even regional feuds are being coordinated politically through negotiations.

However, only on the Korean peninsula is tension still unremoved, and the danger of war has not disappeared. This has a negative effect on the development of the situation in Asia and the Pacific.

The great leader Comrade Kim Il-song has taught: Improving the situation in Asia and the Pacific is a pressing issue that arises in accelerating the detente phase in the international situation as a whole and in guaranteeing durable peace in the world. Easing tension and guaranteeing peace and stability on the Korean peninsula is an important part of a struggle to improve the regional situation in Asia and the Pacific.

Easing tension, removing the danger of war, and guaranteeing peace on the Korean peninsula is a pressing demand of the times that can be delayed no longer and is one of the key issues for improving the situation in Asia and the Pacific and for achieving peace and stability in this region.

The Korean peninsula has become a place where the degree of tension and the danger of war are among the highest in Asia and the Pacific. This is due entirely to the U.S. imperialists' aggressive strategy toward Asia and the Pacific as well as their policy toward Korea.

In carrying out their strategy toward Asia and the Pacific, the U.S. imperialists are now keeping the arrow of their attack trained on none other than the Korean peninsula in executing their strategy toward Asia and the Pacific. The principal goal the U.S. imperialists are now seeking to achieve in Asia and the Pacific is to check and bring under their control, by force, the socialist and progressive forces and to firmly secure the right to dominate and control this region.

Toward this end, the U.S. imperialists have taken South Korea—which is not only a geographical protuberance from the Asian Continent, but is also a neighbor of the socialist countries and lies close to Japan, their biggest ally—as the central support point from which to enforce their policy of power. It is no accident that the U.S. ruling clique has declared the Korean peninsula as one of the regions in the world in which they have life-and-death interest and as a venue for power confrontation in the eighties and then defined South Korea as a front when it comes to U.S. strategy.

That the U.S. imperialists have turned the brunt of aggression against the Korean peninsula in execution of their strategy toward Asia and the Pacific is indisputably proven by their actual military movements such as the deployment of armed forces and military exercises.

The U.S. imperialists maintain nearly 200,000 U.S. troops and some 1,700 tactical nuclear weapons in the expansive areas of Asia and the Pacific. However, in South Korea, which is barely larger than 100,000 square km, nearly 50,000 U.S. forces are deployed—nearly a 1-million-strong puppet Army, and a 10-million-strong para-military force, on top of some 40 military bases and some 200 military facilities, along with some 1,000 units of nuclear weapons of various descriptions.

As shown by facts, nowhere in Asia and the Pacific is there any other place where such vast military facilities, means of war such as nuclear weapons, and armed forces are so densely populated as in South Korea. This indicates that South Korea has become a nuclear forward base and the forefront that the U.S. imperialists value most in Asia and the Pacific and where they have massed armed forces.

Not only have the U.S. imperialists massed vast armed forces in South Korea in Asia and the Pacific, but they also conduct provocative military exercises, the largest ever conducted in this region, in South Korea and neighboring areas.

The "Team Spirit" joint military exercise that the U.S. imperialists have conducted with the South Korean puppets year after year is the largest in terms of scale and duration among the military exercises conducted by the U.S. imperialists in various corners of the world, including Asia and the Pacific.

A vast regular armed forces, totaling some 200,000, including 60,000 U.S. imperialist troops of aggression, took part in the military exercise conducted this year. If the non-regular armed forces are added to it, the number totals more than a million.

Moreover, a vast amount of military equipment and nuclear weapons—hundreds of ships, including a nuclear-powered aircraft carrier, and tens of thousands of aircraft, including B-52 strategic bombers, tanks, and armored personnel carriers—were thrown into it. Even

an EA-4B was used—an airborne nuclear war command aircraft belonging to the U.S. Strategic Air Command—the chief mission of which is to direct a nuclear war.

A large part of the armed forces and operational equipment and means thrown into this military exercise were from the bases located on the Pacific coastline of the continental United States and from military bases in Hawaii, Japan's mainland, Okinawa, Guam, and the Philippines.

Such facts show that the chief mission of the U.S. imperialist military bases and means of war located in Asia and the Pacific is to counter an emergency on the Korean peninsula.

Besides, the U.S. imperialists are conducting war exercises designed to strike at somebody else in South Korea and in its neighboring areas almost every day.

On the other hand, the U.S. imperialists, while strengthening their maneuvers to fabricate a tripartite military alliance among the United States, Japan, and South Korea, are now attempting to draw their other allies into it.

The military activities conducted by the U.S. imperialists on the Korean peninsula and neighboring areas are not just for attack against our Republic. In view of the U.S. imperialists' strategy toward Asia and the Pacific and strategy toward Korea and in view of a series of ominous movements being made by the U.S. imperialists in South Korea and neighboring areas, if they trigger another war of aggression on the Korean peninsula, there is no question that it will be transformed into a nuclear war and its flames will spread into not only Asia and the Pacific, but also into the world.

In fact, no other place is so valued by the U.S. imperialists in the course of executing their strategy toward Asia and the Pacific as the Korean peninsula.

Under circumstances in which the U.S. imperialists are bent on striking at our Republic and on dominating Asia and the Pacific through the use of force by using South Korea as a military and strategic support point, the aggravated tension on the Korean peninsula leads to aggravating tension in Asia and the Pacific and the growing danger of war on the Korean peninsula means a growing danger of war in Asia and the Pacific.

Without easing tension on the Korean peninsula, which has the greatest danger of war in Asia and the Pacific, it is preposterous to attempt to ease the situation there.

To remove the breeding ground of tension in Asia and the Pacific and open a phase of detente and peace, it is imperative to decisively lower the level of the deployment of the armed forces in this region by realizing disarmament, reducing the foreign military bases and withdrawing foreign troops, and it is imperative to do away with various forms of provocative military exercises.

Toward this end, first of all, disarmament should start from South Korea where the largest number of offensive forces and means of attack, including nuclear weapons, are deployed; the U.S. military bases and troops should be withdrawn from it; and all forms of military exercises of an offensive and bellicose nature should be halted in South Korea and neighboring areas.

As long as the U.S. military bases and troops remain in South Korea, attempting to create an atmosphere of detente is simply empty talk.

In order to ease tension, remove the danger of war, and guarantee peace on the Korean peninsula, it is imperative to withdraw nuclear weapons and the U.S. imperialist troops of aggression from South Korea, to reduce armed forces in the North and South, turn the Korean peninsula into a nuclear-free, peace zone, and to settle the reunification question of Korea by peaceful means.

In this regard, we have already put forward important proposals and initiatives on many occasions and have taken on our own initiative such measures as unilaterally realizing disarmament. Not long ago we put forth four principles for guaranteeing peace on the Korean peninsula and an all-inclusive peace proposal.

Our repeated peace proposals and initiatives and our patient efforts for their realization proceed also from a noble intention to guarantee peace and stability in Asia and the Pacific.

If the U.S. imperialists have the least interest in peace in Asia and the Pacific, they should take measures designed to ease tension and guarantee peace on the Korean peninsula before anything else and toward this end they should respond to the peace proposal advanced by our joint meeting without delay.

Paper Urges Arms Reduction for Peace

SK2112070688 *Pyongyang Domestic Service in Korean*
2117 GMT 17 Dec 88

[NODONG SINMUN 18 December special article: "Peace on the Korean Peninsula Should Be Guaranteed Through Arms Reduction"]

[Text] The great leader Comrade Kim Il-song has taught: To provide a guarantee for peace on the Korean peninsula it is imperative to conclude a peace agreement between us and the United States, to adopt a declaration of nonaggression between the North and South, to withdraw U.S. forces and nuclear weapons from South Korea, and to realize a large-scale phased reduction of the armed forces of the North and South.

The four principles for guaranteeing peace and the all-inclusive peace proposal that we advanced recently are a most fair and above-board policy that can prevent the danger of war and firmly guarantee solid peace on the

Korean peninsula. Our peace proposal envisages withdrawal of nuclear weapons and U.S. forces from South Korea, a phased reduction of the armed forces of the North and South, and, thus, maintaining of their respective armed forces to less than 100,000 from 1992.

The existence of the U.S. forces stationed in South Korea is the biggest obstacle to guaranteeing peace on the Korean peninsula. Therefore, the U.S. forces and nuclear weapons should be withdrawn first of all. Peace on the Korean peninsula can become durable only when a balanced arms reduction is realized between the North and South along with the withdrawal of the U.S. forces from South Korea.

Putting forth the proposal for phased withdrawal of the U.S. forces and arms reduction between the North and South we envisaged to reduce the armed forces of both sides to the extent that one side cannot threaten or attack the other side. Reflected here are our principled stand that peace on the Korean peninsula should be achieved in the way of mutually reducing the armed forces of the North and South, not in the way of reinforcing their armed forces through an arms race. This stand totally accords not only with the national interests of our people, but also with the world's trend of seeking arms reduction.

Arms reduction is also an urgent demand of the situation of the Korean peninsula which has been led to the brink of war. In retrospect, we have put forward, not once or twice, epochal proposals to practically guarantee peace on the Korean peninsula in the past.

In recent years alone, we have put forth a proposal for making the Korean peninsula a nuclear-free peace zone and a proposal for multinational arms reduction talks. Two years ago, we already took an active step of withdrawing 150,000 military troops from the frontline area and military outposts and mobilizing them for a peaceful construction in a bid to open a breakthrough for arms reduction. Following this, last year, we showed an actual model of unilaterally reducing 100,000 KPA soldiers. It is obvious to everyone that under today's situation in which we are confronting the vast armed forces of the United States and South Korea, if we did not sincerely want peace and reunification, we would not have made such a daring decision of reducing the armed forces.

This notwithstanding, the U.S. imperialists and the South Korean rulers have been running wild to reinforce their armed forces by spreading preposterous rumors of military superiority of the North and the nonexistent threat of southward invasion. The U.S. military bosses have not only clamored that the U.S. forces occupying South Korea should be reinforced, together with the puppet army, in order to eliminate the unbalance in the armed forces of the North and South on the Korean peninsula, but have also reinforced them actually.

That the U.S. imperialists and the South Korean puppets have stressed the need to reinforce their armed forces under the pretext of balance of armed forces or military superiority, while clamoring about our military superiority, is nothing but an excuse designed to accelerate preparations for a war of northward invasion.

As is known, there is not even one foreign soldier in the northern half of the Republic, but nearly 50,000 [as heard] U.S. imperialist aggression troops are stationed in South Korea. We have no nuclear weapons. However, more than 1,000 nuclear weapons have been deployed in South Korea. While we are moving in the direction of constantly reducing our not many armed forces, South Korea has always maintained the puppet Army of nearly 1 million strong and the quasi-military armed forces of more than 10 million strong as a result of constant reinforcement of its armed forces.

That the armed forces in South Korea are inferior in strength is an utterance invented by those who are seeking an excuse to reinforce their armed forces and to trigger a war. The so-called danger of aggression from the North that the U.S. imperialists and the puppets have talked about whenever the opportunity presents itself is also an invented false utterance.

For instance, the U.S. imperialists and the puppets clamored, for years, about a southward invasion which, they said, would exploit the Olympics as its occasion. Was there a southward invasion as they clamored? Rather, we encountered a crisis because of the reinforcement of armed forces and large-scale military exercises perpetrated by the U.S. imperialists and their stooges under the pretext of security for the Olympics.

The maneuvers for armed reinforcement of the U.S. imperialists and the South Korean puppets are part of the U.S. imperialists' criminal maneuvers to accelerate the implementation of their strategy of aggression against Asia and the Pacific.

As is known, having declared the Korean peninsula as a test site for the confrontation of strength in the eighties, the U.S. imperialists have stepped up preparations for a nuclear war. In recent years, the U.S. imperialists not only have constantly dragged new nuclear weapons, including neutron bombs, and their delivery means into South Korea, which has already been turned into the largest forward nuclear base in the Far East since a long time ago, but have also built numerous large-scale underground nuclear arsenals throughout South Korea.

The U.S. imperialists are now building and expanding military air bases everywhere in South Korea and have gone so far as to turn Cheju Island into a nuclear base. The "Team Spirit" joint military exercise that the U.S.

imperialists and the South Korean puppets have escalated every year in the whole area of South Korea which has been turned into a forward nuclear base is a preliminary, and a test war, to put their nuclear war plan into practice.

The U.S. imperialists have talked about nuclear disarmament in other regions. However, they have been reinforcing armed forces in South Korea. Despite the fact that we have repeatedly put forth a peace proposal and taken practical steps for arms reduction with sincerity toward peace and reunification, the U.S. imperialists and the South Korean puppets have moved only in the direction of reinforcing armed forces under a preposterous, fabricated excuse. Under such a situation, how and when can the arms race be terminated and peace be achieved on the Korean peninsula?

Facts have proven once again that peace on the Korean peninsula should be guaranteed through the withdrawal of foreign troops and arms reduction. Supposing that keeping the balance through an arms reduction is intended to achieve peace, maintaining what they call balance through an armed reinforcement is intended to trigger a war.

To prevent a military conflict, a nuclear war, between the North and South, it is imperative not to wage the arms race, on the stand of relying on strength, but to reduce armed forces to the minimum so as to eliminate the power capable of attacking the other side.

The problem lies in the fact that while they are talking about the importance of peace on the Korean peninsula the U.S. imperialists and the South Korean rulers are still moving in the direction of reinforcing armed forces. The U.S. military bosses are employing preposterous tricks by making absurd remarks that no one knows that the withdrawal of the U.S. forces occupying South Korea would bring about the outbreak of a war on the Korean peninsula or that it would certainly reduce the war deterrent there.

Lilley, U.S. ambassador in Seoul, said recently that only when tension on the Korean peninsula is gradually alleviated can the problem of reducing the U.S. forces be considered. His remarks that [the United States] will wait for detente while maintaining the U.S. forces in South Korea, the ringleader of the tension on the Korean peninsula, as they are or that it will just consider reducing the U.S. forces even though tension is alleviated, far from withdrawing them are indeed preposterous. On the other hand, Yi Sang-hun, who occupied the post of defense minister thanks to No Tae-u, took his first step as defense minister by openly clamoring that superiority of military power over the North should be maintained through a continuous reinforcement of military strength. Our proposal for arms reduction is not a demand that we unilaterally force on South Korea but means that we will assume the same duty.

If the U.S. armed forces occupying South Korea and nuclear weapons are withdrawn from there and the North and South reduce their armed forces in a balanced manner, there will be neither inferiority nor superiority in military power, and, as a result, there will be no aggression, and accordingly peace will be firmly guaranteed. This notwithstanding, why are the U.S. imperialists and the puppets perpetrating such words and deeds?

This is intended to continuously reinforce their armed forces by spreading the rumors of military superiority of the North and threat of a southward invasion as their hackneyed methods and is an indication that they have no intention to alleviate the situation on the Korean peninsula which has been led to the brink of war.

Talking about balance in strength and military superiority through armed reinforcement will result in only further aggravating the situation on the Korean peninsula through an infinite arms race and in eventually driving our nation into the flames of war again.

The North-South military confrontation will increase distrust and misunderstanding between the nation and lay great obstacles to the road of dialogue and reunification.

The United States said recently that it wants to alleviate the situation on the Korean peninsula, and the persons in authority of South Korea, as well, said recently that they will negotiate the military problem, including arms reduction. If such words are sincere, there will be no reason whatsoever for the United States and the persons in authority of South Korea not to accept our peace proposal.

Advancing from confrontation and cold war toward reconciliation and detente today is a trend of the world today. If the United States and the persons in authority of South Korea advance along the road of arms reinforcement and war, this will by no means bring about anything good for them. The United States and the persons in authority of South Korea should accept our all-inclusive peace proposal at the earliest possible date.

Daily Denounces Japan for Citizen 'Release'
SK2112044088 *Pyongyang KCNA in English*
0429 GMT 21 Dec 88

[Text] *Pyongyang* December 21 (KCNA)—The Japanese Government announced that it would "release" the kidnapped citizen of the DPRK and "specially allow him to reside" in Japan in accordance with his "hope," so that he could not be sent back home.

NODONG SINMUN today brands this as an expression of the intolerable hostile policy toward the DPRK and an unpardonable crime encroaching upon the sovereignty of the DPRK.

The news analyst says:

We bitterly denounce this dastardly and shameless act of the Japanese reactionaries.

The Japanese reactionaries took by force a citizen of the DPRK to Japan and tried in every way to "brainwash" him for five years. At last, they hatched a plot to "release" him and keep him under the cloak of "according to his hope."

His "hope" and the "confirmation" of his "hope" by somebody clamoured about by the Japanese reactionaries are nothing but a shameless pretext to justify their unreasonable measure.

They are committing indelible crimes repeatedly against the DPRK and the Korean people as regards the problem of the DPRK citizen. The Korean people will never tolerate their criminal acts.

What is more unbearable is that the Japanese reactionaries are calling for settlement of the problem of the crewmen of the "Fujisan-Marun No. 18" and "inter-governmental talks" for "improvement of relations" between Korea and Japan, while announcing that they would not send back the DPRK citizen. This is ridiculous, indeed.

The Japanese reactionaries must discard the third-rate trick and immediately send back DPRK citizen.

Kim Il-song Sends Reply to Malagasy President
SK2112042688 Pyongyang KCNA in English
0420 GMT 21 Dec 88

[Text] Pyongyang December 21 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message on December 20 to Didier Ratsiraka, president of the Democratic Republic of Madagascar, in reply to the latter's message of solidarity supporting the four principles for the guarantee of peace and new package peace overture for the independent and peaceful reunification of Korea put forward by a joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the DPRK.

Our people, it says, set great store by the firm support expressed by you to the constant efforts of our party and government to defend peace on the Korean peninsula and realise the independent and peaceful reunification of the country.

The message expresses the belief that the excellent relations of friendship and cooperation between the two countries will grow stronger and develop.

Kim Yong-nam Meets New Cuban Ambassador
SK2112043288 Pyongyang KCNA in English
0425 GMT 21 Dec 88

[Text] Pyongyang December 21 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam on December 20 met and had a conversation with Juan Jose Leon Vega, newly appointed ambassador e.p. of the Republic of Cuba to Korea, who paid a courtesy call on him.

WPK Greets Colombian Communist Party Head
SK2112111988 Pyongyang KCNA in English
1022 GMT 21 Dec 88

[Text] Pyongyang December 21 (KCNA)—The Central Committee of the Workers' Party of Korea sent a message of greetings on December 20 to Gilberto Vieira on his reelection as general secretary of the Central Committee of the Communist Party of Colombia.

The message expresses the belief that the excellent relations of friendship and cooperation forged between the Workers' Party of Korea and the Communist Party of Colombia will grow stronger and develop and sincerely wishes comrade general secretary greater success in his responsible work for the implementation of the decisions of the 15th Congress of the Communist Party of Colombia.

Cooperation in Information Signed With Guyana
SK2112041888 Pyongyang KCNA in English
0411 GMT 21 Dec 88

[Text] Pyongyang December 21 (KCNA)—An agreement on cooperation in information was signed in Georgetown on December 15 between the Information Commission of the Democratic People's Republic of Korea and the Ministry of Information of the Cooperative Republic of Guyana.

It was signed by DPRK Ambassador to Guyana Chong Chong-kyu and Permanent Secretary of the Ministry of Information of Guyana J.E. Sinclair.

Moscow Symposium Supports Peace Proposals
SK2112105788 Pyongyang KCNA in English
1013 GMT 21 Dec 88

[Text] Pyongyang December 21 (KCNA)—The second symposium of Korean and Soviet social scientists on the urgent questions of the development of the present situation in the Asian-Pacific region and the situation on the Korean peninsula was held in Moscow over December 14-16, according to a report.

Keynote addresses and speeches were made at the symposium.

An opening speech and a keynote address were made by Mikhail Kapitsa, director of the Institute of Oriental Studies of the Academy of Sciences of the USSR.

He said in his keynote address that today the situation on the Korean peninsula has reached a dangerous phase and it might lead to an armed conflict any moment. Considering that U.S. troops over 40,000 strong and more than 1,000 pieces of nuclear weapons and means of nuclear delivery are deployed in South Korea, it might develop into a nuclear war, he stated.

Noting that Comrade Kim Il-song put forward a series of important proposals in recent years, he stressed that they include the questions of proclaiming the Korean peninsula a nuclear-free, peace zone and establishing a confederation.

If the DPRK's proposal to build a nuclear-free, peace zone on the Korean peninsula is realized, it will be an important contribution to the consolidation of peace in the Far East, he stated, and declared: The Soviet Union supports this proposal of the DPRK.

He expressed his deep thanks to Comrade Kim Il-song and Comrade Kim Chong-il for taking a step to put forward a new comprehensive peace overture and supporting the Soviet peace proposals.

Vice-President of the Academy of Social Science of Korea Kim Chol-sik in his keynote address expressed thanks to the Soviet social scientists and people for always and actively supporting and encouraging the Korean people in the just struggle for peace and peaceful reunification of Korea.

The speakers on the Soviet side expressed active support to the DPRK's peace initiatives.

Daily on Modern Imperialism's Corruption
SK2012055788 Pyongyang Domestic Service in Korean
2117 GMT 15 Dec 88

[NODONG SINMUN 16 December special article: "Modern Imperialism's Antipopular Nature and Corruption"]

[Text] Laying bare the antipopular nature and corruption of modern imperialism is one of the basic requirements arising in scientifically proving the serious internal contradictions of capitalism, in arming the popular masses with revolutionary awareness, and in heightening their anti-imperialist struggle. In particular, today when government-patronized buglers of imperialism are spreading a delusion about imperialism, clamoring that the contradictions and crisis of capitalism have already been eliminated, it is a very urgent requirement to throw a correct light on the internal contradictions of capitalist society.

In his document, "Let Us March Forward Dynamically Along the Road of Socialism and Communism Under the Unfurled Banner of the Anti-Imperialist Struggle," the dear Comrade Kim Chong-il has laid bare in an extensive way the antipopular nature and corruption of modern imperialism, placing the essential demands of

social human beings to live and develop independently at the center, and, thus, has given a scientific explanation to the urgent problems presented by the times and the revolution.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the party Central Committee, has indicated: We can say that abnormality in material life, poverty in spiritual and cultural life, and reaction in political life are precisely the basic characteristics of capitalist society that reveal the antipopular nature and corruption of modern imperialism.

The basic characteristics of capitalist society clarify the internal structure of social life under capitalism and point up the inevitability of its changing. In the past, the social life of people under capitalist society was characterized based on the material and economic relationship. Accordingly, the deepening of conflict and inequality between the capitalist class and the popular masses was regarded as the main characteristic of the antipopular capitalist society, and the conflicts and contradictions in other fields of social life in capitalist society, as well, were considered to come from this. At the same time, the contradictions between the working class and the capitalist class were considered to be deepened based largely on the increasing gulf between rich and poor in the material life.

Of course, it is true that the material life is one of the basic domains of human life and that material inequality is a main characteristic of capitalist society. However, we cannot say that the material inequality represents all of inequality and unbalance existing in capitalist society.

Along with the material life, the spiritual and cultural life and the political life alike form unique domains in human life. Since World War II, a new change in which the material life has become extremely abnormal has been effected in capitalist countries. In capitalist countries today material life has become abnormal, spiritual and cultural life has become poor, and political life has become extremely reactionary. This is an inevitable phenomenon resulting from the original nature of capitalist society in which the capitalist class act as the master. Herein lies the antipopular nature and corruption of modern imperialism and the basic characteristics of the modern capitalist society.

As elucidated by the document, people's material life has become extremely abnormal in modern capitalist society. Men want to live in good health and to develop soundly, enjoying an affluent material life. However, monopoly capitalists seek markets for their new goods, exploit profits from people to the maximum, and artificially establish inhuman demands in a bid to strengthen their guidance to the popular masses. Thus, they move in the direction of making material life in society abnormal.

The abnormality of material life in developed capitalist countries can be seen in two aspects. One is that a handful of privileged segments who have monopolized vast wealth as a result of the deepening of the phenomenon of inequality and the rich-get-richer and the poor-get-poorer in material life lead a luxurious, splendid life of dissipation and actively aggravate such a life in society.

In developed countries today vast material wealth and assets produced on the strength of their developed production capability are being squandered on the demands for this abnormal and animal-like life of consumption. Eight monopoly business groups in the United States, less than 10 monopoly business groups in Japan, and the group of monopoly capitalists called 50 families in Britain have grasped and controlled the economy of their countries and are leading a corrupt and dissipated life, enjoying all sorts of special privileges.

In developed capitalist countries the special privileged segments are not only competing with each other in squandering vast wealth and assets, but have also gone so far as to lead an animal-like life of spending several million dollars a day to raise hundreds of thousands of pets.

Under modern imperialism, in particular, monopoly capitalists artificially establish inhuman demands in the domains of production and consumption and produce and supply various means and goods which paralyze the body and spirit of man. Thus, they are driving people into the road of moral corruption. This is another important aspect showing that material life has become abnormal in modern capitalist society.

In many capitalist countries today, such inhuman means as narcotics, which have nothing to do with the demands for people's sound life, are being produced on a large scale and distributed among people through illicit traffic or open sales. As a result, the number of narcotic addicts, alcoholics, and other degenerates who seek to satisfy abnormal desires is increasing sharply with each passing day. The production and illicit traffic of narcotics and alcohol have become the pillar of the underground economy in the United States and other capitalist countries.

The abnormality of material life based on the inhuman demands in capitalist countries has resulted in making people not only moral degenerates who have lost the essential character of human beings and who act according to animal instinct, but also in making people into physically handicapped persons who are being driven to doom after their physical life has been completely destroyed. This has become an incurable chronic disease of modern capitalism.

As elucidated in the work, people's spiritual and cultural lives are becoming poorer in modern capitalist society. In capitalist society, the people's desire to enjoy rich spiritual life and to develop themselves spiritually and culturally is ruthlessly trampled down. The capitalists are primarily interested in paralyzing the independent

ideological consciousness of the working popular masses and in making them obedient to the capitalist system of exploitation. As for enhancing the people's cultural standard, the capitalists pursue only the objective of preparing people as the labor force required for the function of capital rather than pursuing the comprehensive development of social human beings. Hence, under modern imperialism the monopoly capitalists are frenziedly engaged in spreading reactionary and antipeople ideas and culture and the corrupt bourgeois way of life.

The capitalists slander socialism using such propaganda means as press and cultural institutions which they have at their command, especially the broadcast and communications media and churches. They embellish the capitalist system, paralyze the workers' revolution-consciousness, and preach their slavish subjugation. They spread anti-communism; the racist idea of hating people; various other kinds of bourgeois reactionary ideas; and superstitious religion, paralyzing people's sound spirit and making people foolish. The greatest unhappiness and tragedy in the advanced capitalist countries today come not only from the fact that tens of millions of people are going jobless, homeless, and hungry, but from the more important fact that many of them lack the self-awareness of being the masters of their own fate and are in a state of spiritual slavery obedient to the capitalist class.

The way of life in society has a great bearing on the formation of ideology and character of social human beings and on the development of material and political life in society. In capitalist countries today the way of life is the law of the jungle based on extreme individualism where selfishness is encouraged. This obliterates a sound way of life for society and for the human moral spirit and brings about immorality and all sorts of social evils. Sexy, lewd, and bizarre films, songs, dances, and novels are circulated and a so-called morality of freedom with which people victimize others for the sake of their individual success and pleasure is highly praised and encouraged. This results in a corrupt life-style and a horrible atmosphere of hostility, jealousy, murder, and plunder in society.

In the United States today there are seven robbers per 1,000 residents, thus making it a criminal kingdom where an average of more than 1.2 million people suffer from robbery and theft every year.

In modern capitalist society the political life of society is becoming extremely reactionary. People desire to live together and develop a lasting sociopolitical life together as equal masters of society. However, in capitalist society, the bourgeois politics is the antipeople politics that oppress the working popular masses in the interest of the capitalist class and ruthlessly tramples down the development of the political life of the popular masses. Today, the reactionary tendency in political life is characterized by the fact that the monopoly capitalists are engaged in cunning maneuvers of appeasing and deceiving the masses to maintain their privileged position, which is

becoming increasingly precarious with each passing day. At the same time, the capitalists are following the road to making the reactionary ruling institutions more fascist in nature and to further intensifying the policy of aggression and war.

The monopoly capitalists in all imperialist countries are frantically using a very cunning and wicked ruling technique to crush the political demands of the popular masses and the activities of the progressive forces while appeasing and deceiving the people under the cloak of democracy, freedom, equality and protection of human rights.

Today the capitalist countries advocate the election system, the parliamentary system, the two-party system, the law-abiding system, separation of the powers of government in social and political life. However, all of these are nothing but ornaments of bourgeois democracy designed to eliminate the popular masses from the sovereignty of the state and to infringe upon their political independence while ridiculing and deceiving them.

In addition, in imperialist countries, evil fascist laws by which the democratic freedom and rights of the working people and progressive forces can be bestially suppressed at any moment are being constantly fabricated, reactionary ruling organizations are being turned into more reactionary ones, and acts of most vicious violation of human rights are being perpetrated.

The imperialists, including the U.S. imperialists, are advancing along the more reactionary road as the ring-leaders of international terrorism and aggressors in many places of the world while outrageously violating the independent rights of the people, not only in their own country but also in the countries of other.

Deformity in material life, poverty in spiritual life, and reactionary nature in political life are the natural outcome of the capitalist system. These features are constantly being deepened, which clearly proves that modern imperialism has become the most antipopular, most reactionary, and most wicked imperialism and that social inequality and imbalance have become more serious than ever before in all sectors of social life.

Today in advanced capitalist countries inequality in material life has been widened to the point of being as broad as the sky and the earth. The imbalance has been deepened between the upgraded material life and the poverty-producing spiritual and cultural life, and the disparity has been worsened to an extreme point between the increasing demand of the popular masses and the aggravated political life.

Because of this, the contradiction between the popular masses who strive to live and develop independently and the capitalist classes has been deepened and, at last, capitalism is dashing toward its downfall.

The downfall of capitalism is inevitable. We should firmly arm ourselves with the idea and theory in the document concerning the antipopular and corrupt nature of imperialism and should not have any illusions about imperialism. We should continuously and firmly maintain the anti-imperialist revolutionary position.

South Korea

Defense Officials Worried Over U.S. Forces Issue
SK2112053788 Seoul CHOSON ILBO in Korean
20 Dec 88 p 14

[Article by reporter Kim Yong-chol: "Contradictory Views on the Issue of Transfer of Operational Control Over U.S. Troops Stationed in Korea"]

[Excerpts] With U.S. scholars, bureaucrats, and congressmen raising the issue of transfer of operational control [chakchonkwon] over the U.S. troops stationed in Korea, officials at the Ministry of National Defense are reacting in a sensitive way and expressing concern about it.

In an article contributed to the THE LOS ANGELES TIMES on 12 December, Solarz, chairman of the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee, said that the "dramatic progress South Korea has made toward democratization in the past year has caused the United States to reexamine its policy toward that country" and that "discussions of such issues as transfer of operational control are under way to alleviate the worsening anti-American sentiment in South Korea and to dissolve the useless frictions with that country." [passage omitted]

Officials at the Ministry of National Defense are deeply concerned about such moves by the U.S. side, which seem to have been driven by the anti-American sentiment that began to surge ahead in South Korea in the wake of the debates on the role the U.S. played in the suppression of the democratization movement in Kwangju in 1980, because the issue of transfer of operational control is not an end in itself but is directly related to the issue of withdrawal of the U.S. troops stationed in South Korea. The reason cited by these officials for their concern is that never before have the U.S. forces operated under the control of a foreign forces command in other countries as was demonstrated in the case of the U.S. joining other countries' armed forces in the World War I and II and again in the case of forming the NATO forces. Moreover, the South Korean side's takeover of operational control over the Korean-U.S. Combined Forces Command means at once the pullout of the U.S. troops from South Korea.

Officials at the Ministry of National Defense explained: The pullout of the U.S. troops would mean not only a drastic cut in deterrence to war, but it would also mean that our country would have to give up such sophisticated military intelligence gathering devices as the SR-71

high-altitude aerial reconnaissance plane and P3C anti-submarine patrol aircraft, part of U.S. early warning system, thereby becoming blind and deaf when it comes to intelligence on North Korea. Of particularly importance is the fact that the withdrawal of U.S. troops would force our country to increase defense expenditure by 23 percent annually, more than 4 times from its current 5.1 percent of gross national product. This is impossible for us to do. [passage omitted]

However, according to officials at the Ministry of National Defense, our country's takeover of operational control from the U.S. forces side would satisfy our people's national pride a bit, but in practice it would cause enormous damage to our national interests. [passage omitted]

In a session of the National Assembly held on 10 December, the Ministry of National Defense revealed that it plans to steadily probe ways to effect a transfer of operational control through the annual security consultative meetings. These officials said, however, that the Korea-U.S. Combined Forces Command should continue until such time as a peaceful coexistence system is firmly established between the North and South to replace the present military armistice system. [passage omitted]

Gleysteen Refuses To Testify Before Kwangju Panel
SK2112101488 Seoul YONHAP in English
0954 GMT 21 Dec 88

[Text] Seoul, Dec. 21 (YONHAP)—Former U.S. Ambassador to Korea William Gleysteen has refused the South Korean parliament's request to testify before the parliament's ad hoc committee investigating the Kwangju civil uprising but pledged to explain the U.S. role at the time of the suppression of the uprising should the committee send a delegation to meet with him in the United States.

Gleysteen, who served as U.S. ambassador in Seoul around the time of the civil uprising which took place in May 1980, said in his response to Rep. Mun Tong-hwan, chairman of the ad hoc committee, that the U.S. State Department finds it inappropriate, considering relevant international law and precedent, for him to testify before the committee on what role the U.S. played in May 1980 when he was ambassador at the U.S. Embassy in Seoul.

However, he said that he wished to help the South Korean parliamentary committee have successful hearings on the incident, adding that he was willing to meet an official delegation from the committee in New York.

The committee recently sent a message to the U.S. State Department requesting that Gleysteen and General John Wickham, the then commander of U.S. forces in Korea, testify at the committee's hearings on matters related to what actions the U.S. Government took at the time of the brutal suppression of the civil uprising.

U.S. forces have been criticized by some South Koreans for allegedly acquiescing the harsh suppression despite their operational control over the Korean Armed Forces which critics maintain could have been used to prevent the tragic incident from occurring.

Reduction of Trade Surplus With U.S. Planned
SK2112101988 Seoul YONHAP in English
0958 GMT 21 Dec 88

[Text] Seoul, Dec. 21 (YONHAP)—South Korea's new foreign trade policy planners decided Wednesday to drastically reduce their country's trade surplus with the United States over the next two years in an effort to head off further trade frictions between the two nations.

The International Cooperation Council, chaired by Deputy Prime Minister and Economic Planning Minister Cho Sun, also decided to set up an inter-ministerial working-level committee to expedite the country's economic exchanges with communist countries.

Wednesday's meeting was the council's first since the Dec. 5 cabinet reshuffle.

Alerted by expected stepped-up trade frictions with the United States after the inauguration of U.S. President-Elect George Bush, the council members agreed to work out and implement by early next year practical and detailed measures designed to reduce to a proper level the trade surplus which they said has been the prime factor of the trade frictions.

The council also decided to expedite resolution of trade issues still pending between the two countries, including imports of U.S. wine and movies and protection of U.S. intellectual property rights, and to complete a plan for the unrestricted import of U.S. agricultural products by the end of this year.

The council, taking note of the possibility of South Korea being designated an unfair trade partner of the United States as early as next February under a new U.S. trade act, decided to take all possible actions to avoid such designation.

North Sends Letter Proposing Single Sports Team
SK2112034088 Seoul Television Service in Korean
0305 GMT 21 Dec 88

[Text] Kim Yu-sun, chairman of the North Korean Olympic Committee, in his letter sent this morning to Kim Chong-ha, chairman of the Korean Olympic Committee, proposed forming a single North-South team to participate in the 11th Asian Games to be held in Beijing in September 1990.

The North Korean side, in the letter, proposed that five-member delegations be formed respectively with the vice chairman of the Olympic committee of each side as head and that talks be held in Panmunjom in late February next year to discuss the question of forming a single team.

A government official, recalling that talks were held four times in Lausanne, Switzerland, before the Seoul Olympic games, stated that the North Korean proposal would be studied cautiously from an affirmative perspective.

YONHAP Views Letter

SK2112070588 Seoul YONHAP in English
0620 GMT 21 Dec 88

[Text] Seoul, Dec. 21 (YONHAP)—North Korea on Wednesday proposed inter-Korean talks to form a single Korean team for the 11th Asian Games slated for 1990 in Beijing.

Kim U-sun, chairman of the North Korean Olympic Committee (NKOC), in a letter to his South Korean counterpart Kim Chong-ha, suggested that both sides meet at the border village of Panmunjom in late February next year to discuss the matter.

In the letter, the NKOC proposed that the two Korean Olympic committees each organize a five-member delegation to be led by their respective vice chairman for the talks.

The northern side said there is still a lot of time before the Beijing Asiad and the situation surrounding the Korean peninsula is favorable for such meeting.

Kim accepted the proposal in principle, saying "forming a single team in the international sports arena has been our basic position and we will consider the proposal carefully with the hope of creating the atmosphere and conditions for inter-Korean sports exchanges."

Indirect Trade With North Reportedly Increases

SK2112020088 Seoul THE KOREA HERALD in English
21 Dec 88 p 6

[Text] Hong Kong—Indirect trade between south and north Korea saw a remarkable increase this year, a Hong Kong government tally showed Monday [19 December].

Seoul exported \$10,656,000 worth of goods to Pyongyang through Hong Kong during the first eight months of this year, up 602 percent from \$1,518,000 a year earlier, while importing \$155,000 worth of commodities, up 98 percent from \$78,000 registered during the same period last year, it said.

Hyosung To Import Electrolytic Copper

SK2112012688 Seoul THE KOREA TIMES in English
21 Dec 88 p 6

[Text] Electrolytic copper, with its label of North Korean origin, will be shipped to Inchon by the end of this year, business sources said yesterday.

The Hyosung Corp. is contracted with a trading firm in Hong Kong to import 200 tons of electrolytic copper produced in North Korea at \$3,300 per ton on Dec. 5, the sources said.

The sources also said that the North Korean mining product has already left Nampo, North Korea, and will arrive at Inchon by the end of this month.

Domestic businesses are able to import the items without approval of the government as the import is free from government regulations.

The sources said that the settlement of the payment will be made at the Korean branch of the Hong Kong Shanghai Bank whose headquarters are in Hong Kong.

The imports of electrolytic copper from North Korea are the first raw materials for industry since the government allowed the trade with the North on Oct. 7.

The import price is cheaper than international market value by \$300 per ton, the sources said.

There will be no customs duties on the imports of copper from North Korea as the government decided to regard the trade as internal on condition that its North Korean origin is identified.

The sources said that domestic industries are expected to import other raw material such as lead, zinc and magnesium carbonate from the North, taking advantage of low import cost and prices.

Leaflets Eulogizing Kim Il-song Appear at Shipyard

SK2112011888 Seoul THE KOREA TIMES in English
21 Dec 88 p 2

[Text] Ulsan—About 100 leaflets reading, "Let's go to the North, to the arms of Comrade Kim Il-song" were found Tuesday at Hyundai Heavy Industries' shipyard in Ulsan whose operations have remained paralyzed since Dec. 12 due to the shipyard workers' strike.

In the leaflets, titled "Struggle until the day of rehiring", a lot of other slogans were found reading, "We can recover our rights and interest through regaining our original jobs rather than the signing of collective contract." "Down with the U.S. imperialists," "Withdraw all the nuclear arms which threaten the national right to life."

A shipyard guard reported to the police that he saw man get out of a taxi and then throw the leaflets over the fence into the ground where about 4,00 shipyard workers were staging a sit-in calling for the settlement of a collective contract.

Officials Cited on North Olympic Chief's Message
SK2012010188 Seoul THE KOREA HERALD in English
20 Dec 88 p 1

[Text] North Korea informed the South yesterday that its Olympic committee president, Kim Yu-sun, will send a letter to his southern counterpart, Kim Chong-ha, tomorrow, a government spokesman said.

In a telephone message, the North asked the South to send officials to the conference room of the Neutral Nations Supervisory Committee at Panmunjom at 10 a.m. to receive the letter.

The message did not say what the letter will be about, but officials predicted that it may be related to an international youth sports festival slated for Pyongyang next July or Seoul's plan to invite Korean residents abroad for a sports meet next September.

Proposed Overseas Korean Sports Meet
SK2012013388 Seoul THE KOREA HERALD in English
20 Dec 88 p 8

[Editorial: "Overseas Koreans' Sport Meet"]

[Text] A sports festival for Korean expatriates is planned for next year. It was proposed in connection with the Seoul Olympics in the hope of bringing together ethnic Koreans residing abroad to restore their sense of national identity and bonds with their homeland.

The government, which is sponsoring the event, is considering inviting some 5,000 Koreans from Western and the Third World [countries] who are free to travel, and Koreans from the Soviet Union and China who have difficulty visiting their countrymen elsewhere.

It could provide a most significant and moving occasion for Koreans abroad to participate in goodwill games here in Seoul or elsewhere.

The time and venue of the sport festival ought to be chosen after taking into account easy access and the sensitive international situation so that as many expatriates as possible can attend and draw rich goodwill and inspiration.

It should be understood by all, especially the countries in which those Koreans dwell, that it is not meant to advance a narrow nationalistic or chauvinistic cause but to reaffirm the purely humanitarian and ethnic ties of divided and dispersed relatives and friends. Toward that end, attendance by Koreans from Communist areas is most important.

Success in the sports meet for Overseas Koreans could clear the way for inter-Korean co-sponsorship of successive festivals in the future and sports exchange between the two parts of the peninsula.

Opposition Officials Satisfied Over Amnesty
SK2112011088 Seoul THE KOREA TIMES in English
21 Dec 88 p 2

[From the "Press Pocket" column: "Late But Satisfactory"]

[Text] Chairman of the human rights committees of three opposition parties expressed their satisfaction over the release of political detainees when Vice Justice Minister So Chong-sin explained to them the government's lenient measures yesterday.

The vice justice minister met Cho Sung-hyong of the Party for Peace and Democracy, Kang Sin-ok of the Reunification Democratic Party and Sin O-chol of the New Democratic Republican Party at a downtown hotel.

PPD's Cho was earlier notified of the governments plan for the release of political detainees and restoration of their civil rights.

Rep. Kang of the RDP said, "It seems that the government leniency measure has come late, but its content is satisfactory because the opposition demands were accepted."

However, he expressed regret over the fact that So Sung, a convict in an espionage case involving Korean residents in Japan, was not included in the list of detainees to be set free.

Rep. Sin of the NDRP said, "The leniency measure was satisfactory so that even PPD which paid particular attention to the release of political detainees may not put out any further demand."

"From now on, the political parties should devote themselves to the revision of various bad laws to enable the court to maintain legal order by its own judgment," said Rep. Sin.

Daily Welcomes Amnesty
SK2112013088 Seoul THE KOREA TIMES in English
21 Dec 88 p 8

[Editorial: "Sweeping Amnesty"]

[Text] The sweeping amnesty to a total of 2,015 persons is welcome. In the light of its scale and its significance, the measure will hopefully stand as a turning point in the liquidation of the dark past and a starting point for the nation's democratic progress. In a sense, the government step, is a kind of political determination only supplement by legal procedures, reflecting the national exigency.

The measure, of course, followed President No Tae-u's statement on November 26 that an amnesty would soon be granted to all those who are now subjected to punishment under the law for their embroilment in political acts.

In fact, the government and the opposition parties showed a marked disparity in their definition of the political prisoners and the number of those subject to amnesty. The differences of their positions have made it difficult to resolve the amnesty problem at an early date.

In the first place, the rival camps differ over terminology used for the prisoners detained for various anti-government motivations and activities. The opposition parties called them political prisoners and more frequently "prisoners of conscience." Under their definition, the scope of the now-prosecuted or convicted prisoners is ambiguously wide.

From the government's viewpoint, there were no political or conscientious prisoners on the ground that all prisoners now at issue are violators of the nation's positive law provisions. The law-enforcement authorities maintained that there were no persons who were being punished for political reasons.

From the strictly legal point of view, the government advocacy has justification. But the reminder is necessary that a number of innocent people were made prisoners under false accusations through torture and other inhumane methods as a means of extracting their confessions of guilt. Also we have to recognize that the current national situation is undergoing a quasi-revolutionary process of democratic reform. Therefore, the government had no justifiable reason to delay the lenient measure.

In the amnesty step, noteworthy is the inclusion of some prisoners who were indicted or convicted for their Communist activities in violation of the National Security Law. The release of the Communist-branded criminals has been a long-standing bone of contention between the government and opposition camps.

Kim Tae-chung, first opposition party leader, long insisted that all prisoners of conscience should be released except for those who explicitly call themselves "Communists." In view of the fact that some persons were incriminated because of forced confessions that they were Communists or leftist activists, Kim may understandably have logic on his side. But in reality it is doubtful that real Communists, if asked, would admit to their true colors. Surely, such leftist activists are different from the criminals of conscience or conviction.

In this context, President No's suggestion to discuss with the opposition leaders the scope of the so-called political prisoners' amnesty was abortive and so the government took unilateral action, accepting the opposition demand to the maximum degree. But there is the possibility of further controversy over the remaining prisoners.

The amnesty, all in all, is appropriate, though belated, in keeping with the public yearning to see the depressing wounds of the past era healed so that the nation can make a new start. Nevertheless, a basic problem lingers—an apprehension over future developments.

During the past four decades since the birth of the 1st Republic we have seen the repetition of a vicious cycle of arrests and releases of political offenders, especially against the dictatorial regimes. Will this happen again? Whenever the government has made a massive pardon, it has warned of stringent punishment and no more leniency, but then it has revised the pronouncements mostly under the pressure from the public and opposition forces.

In announcing the measure, the government affirmed the firm determination to strictly deal with law violators in the future in order to safeguard our free democratic system and maintain law and order. But this needs a solid basis of national consensus, requiring resolution and efforts on the part of the government and the general public.

Soviet Union Allows 82 Koreans To Visit South
SK2112014488 Seoul THE KOREA HERALD in English
21 Dec 88 p 1

[Text] Tokyo (YONHAP)—The Soviet government has given travel permits to 82 Koreans who wish to visit south Korea, Soviet Foreign Minister Eduard Shevardnadze disclosed Monday in talks with Japanese Foreign Minister Sosuke Uno.

This is the first time a high-ranking Kremlin official has mentioned overseas travel by Koreans residing in the Soviet Union.

Shevardnadze's remarks are interpreted here as a sign of Soviet government efforts to permit travel by Koreans who were taken to Sakhalin by Japan for labor during World War II. Sakhalin was occupied by Japan at that time.

Uno was highly appreciative of the flexible Soviet attitude, which will enable a 65-year-old Sakhalin Korean to return to south Korea for the first time in 45 years.

Kwon Chae-kon was sent to Sakhalin for forced labor during World War II.

Kwon is expected to return home before Christmas on a visa to be granted by the Korean Embassy here.

A native of a village in Kyngsangbukdo, Kwon was forced to work in a coal mine in Sakhalin in 1944. He could not return home when the war ended in August 1945 because of the change in control of Sakhalin Island.

He was married and divorced three times in the Soviet Union.

Kwon, in Tokyo awaiting a visa to visit south Korea, said his first wife was 18 years old when they were separated in 1944.

"I don't know how to comfort her," he said.

Businesses Increase Public Relations in USSR
SK2112033188 Seoul YONHAP in English
0312 GMT 21 Dec 88

[Text] Seoul, Dec. 21 (YONHAP)—Major South Korean business groups are stepping up public relations activities in the Soviet Union through various product shows, business sources said Wednesday.

Such activities appear to be aimed at boosting their image in the communist country and testing the marketability of various products, the source said.

Samsung Co. will participate in the International Consumer Expo '89 slated for Jan. 19-25 in Moscow. Samsung plans to display clothing, textiles, footwear, light industrial goods, electronic parts and products and other items manufactured by its subsidiary firms.

Samsung representatives are to meet with Soviet businessmen during the exposition.

Samsung will also open a liaison office in Moscow about Jan. 20 next year to promote business relations with the Soviet Union.

The Korea Trade Promotion Corp. will stage a large-scale Korean product show in Moscow next spring to introduce Korean merchandise to the Soviet Union.

Lucky-Goldstar International Corp. opened a three-day Lucky-Goldstar international show in Moscow Tuesday, displaying chemical industry products, textiles, factory automation equipment, and electric cable.

The company held an exposition last year in Moscow displaying exclusively its electronic and electric appliances, and participated in an international trade fair this year in Leningrad.

Daily Urges Prudence in Approach to Moscow
SK2012014088 Seoul THE KOREA TIMES in English
20 Dec 88 p 8

[Editorial: "Moves for Seoul-Moscow Ties"]

[Text] Apparently following the Seoul Olympic Games last September, the Soviet Union has been approaching South Korea by beginning to open doors tightly closed for more than four decades.

The Soviet approach toward Seoul was notably touched off on Sept. 12 when Soviet leader Mikhail Gorbachev stated openly that there was the potential for establishment of economic relations with South Korea in light of the overall improvement of the situation on the Korean peninsula.

Of course, earlier the possibility of seeking economic ties between the two countries had been discussed by academic circles and private enterprisers.

Mutual discussions had focussed on Korea's participation in the Soviet development of Siberia and binational cooperation in the shipping, fishery, aviation and manufacturing sectors.

In the first noteworthy development of the Seoul-Moscow moves, the two countries on Dec. 1 concluded an accord to open trade offices in each other's capital early next year.

In another notable development, which indicates rapid progress in the two nations' relations, Korean Air will apparently be allowed by the Soviet government to fly its airliners through Soviet territorial airspace beginning next year. Later negotiations are expected to lead to conclusion of an aviation contract to start Seoul-Moscow flight services by airlines of the two countries.

It has also been reported of late that the Soviet Union has formally asked Korea to provide a \$300 million loan to construct a mammoth furniture plant in Siberia, proposing that it would deliver lumber to Korea in repayment of the loan and its interest.

In another measure described as "Moscow's positive open-door policy toward South Korea," the Soviet Union reportedly ordered early this month its diplomatic mission chiefs abroad to issue entry visas for Koreans at their own discretion. According to the special directive for eased visa issuance procedures for Koreans, tourist visas can be issued within 24 hours, a remarkable change from the practice established hitherto, in which Koreans wanting to visit the Soviet Union have had to apply for entry visas through the Soviet Embassy in Japan, which then issued them only with Moscow's approval.

The rapid development of the Seoul-Moscow moves is in sharp contrast to the relatively quiet and gradual growth in Seoul-Beijing relations. We must take note of the fact that the rapid approach is fundamentally based on Soviet needs, though it has undisputedly resulted from the recent East-West detente and Seoul's positive northern policy toward socialist countries.

For one thing, the Soviet Union is believed to badly need not only Japanese and U.S. but also Korean participation in its Siberian development project, while Korea

needs to acquire divergent and secure overseas markets and sources of natural resources, in the face of mounting protectionist moves by the United States and other major trading partners.

According to ruling views presented by experts in international relations, the Soviet approach toward Seoul must be based on its principle of separating economics from politics or its military alliance with North Korea and its political support of Pyongyang.

Noteworthy in this connection is Moscow's reported effort to persuade Pyongyang to affirmatively respond to the new international trends of opening national doors, transcending ideological differences, while thawing relations with Beijing and the United States.

As the China-Soviet ties improve, North Korea's ability to move around or tilt toward either Moscow or Beijing has to be narrowed, and so it will have to adapt itself to the general international trend of the times by showing signs that the tightly-closed doors of North Korea are being opened slightly.

It is quite desirable to witness Seoul-Moscow ties improve with their economic and business cooperation to help reduce tensions over the Korean peninsula. Yet needed is the continued warning against the stark reality that the Soviet Union remains a military ally with North Korea by continuing to provide up-dated arms to Pyongyang.

Apparently, the Soviet Union, since Gorbachev declared at Vladivostok in 1986 that his country is on the Pacific rim, is stepping up its thrust in the Far East, taking advantage of the opportunity provided by the United States' reduction of its influence there.

Meanwhile, raising our attention is the warning reportedly sounded by the Heritage Foundation, a U.S. research institute representing views held by conservative Republicans, that the progress in Seoul-Moscow relations will proportionately affect the close Seoul-Washington ties.

Keeping both the bright and dark sides of the improved relationship between Seoul and Moscow in mind, far-sighted and prudent steps are needed in our approach toward the Soviet Union with which we have no diplomatic ties, in view of their impact on Seoul-Pyongyang and Moscow-Pyongyang relations.

Daily Urges Caution in Ties

SK2112063888 Seoul SEOUL SINMUN in Korean
18 Dec 88 p 2

[Editorial: "The Dual Nature of the Development of ROK-USSR Relations"]

[Text] The Soviet Union, which has long closed its doors to us, is gradually approaching us. It has also begun to open its doors to us. The ROK and the Soviet Union are

expected to establish trade offices in Moscow and Seoul next year for direct trade between them. The Soviet Union hopes that the ROK, as well as the United States and Japan, will participate in the rapid development of Siberia. They are opening doors wide enough to issue entry visas for ROK tourists promptly on the same day they are applied. This situational change is gradually altering our hardened concept of the Soviet Union. This sudden change in our awareness of the Soviet Union is likely to result in ideological confusion on our part and to cause the danger of throwing us off balance in our perception of our position in international relations.

While looking forward to contacts and exchanges with the ROK, the Soviet Union is persuading North Korea to respond to the new situation. With the improvement of Chinese-Soviet relations these days, the Soviet Union is working more actively on North Korea. Soviet Foreign Minister Shevardnadze is expected to visit Pyongyang following his visit to Japan and the Philippines. It is obvious that he will make a special effort to coax the Pyongyang authorities to calm down their opposition to the exchange between the ROK and the socialist bloc by offering help to North Korea which is having economic difficulties, for the strong opposition shown by North Korea to the Hungarian action of establishing a resident mission in Seoul and of planning to form diplomatic relations with the ROK is holding the Soviet Union considerably in check in its action.

When China and the Soviet Union are in a state of confrontation, North Korea can hold one of them in check by taking side with either one of them. However, as the conflict of interests between China and the Soviet Union lessens, room for North Korean maneuvers to take advantage of the conflict will become smaller. With its economic setback and with the development of the international situation turning to its disadvantage, North Korea will have to modify its line one way or another. The recent report on signs of North Korea opening its society can be understood in the light of this change.

It will be very desirable if the situation on the Korean peninsula is improved with the improvement of relations between the ROK and the Soviet Union. However, we should not view the new situation with only optimism. We should note the fact that there are aspects there demanding our caution as well. The Soviet Union is a country that has signed a military alliance with North Korea, and the Soviet Union has continued to supply modern weapons to North Korea. No matter how much the ROK may expand contact and develop cooperation with the Soviet Union, the relations between them cannot be deeper than the alliance between the Soviet Union and North Korea. If a sudden outbreak of a dangerous situation were to occur on the Korean peninsula or in Asia, the relations could cool off again.

Since Gorbachev claimed the Soviet Union to be a Pacific country in his Vladivostok declaration in 1986, its activity in the Far East has become more prominent.

It is apparent that the Soviet Union is planning to increase its voice and build its base in Asia, taking advantage of the situation in which the United States is losing its influence in this region. We should not overlook the situation in which the Soviet Union is trying to fill the vacancy left open by our ally, the United States. The hegemonism of the Soviet Union alerts not only the ROK but also all countries in Asia. Therefore, we should be more cautious in developing the relations with the Soviet Union for their dual nature.

Cooperation With USSR in Film Production Planned
SK2112052088 Seoul 1 ONHAP in English
0509 GMT 21 Dec 88

[Text] Seoul, Dec. 21 (YONHAP)—Joint film production between South Korea and the Soviet Union will be possible next year, personalities of the Soviet film industry said here Tuesday.

At a news conference, Igor Robertovich Feofanov, an official of Sovexport Film, said he visited the Korean Broadcasting System (KBS) to discuss joint production of documentaries.

He said the Soviet Union has liberalized film exchanges in line with Soviet leader Mikhail Gorbachev's open-door policy. The Soviet Union exported 500 drama and documentary films last year, while importing 133 films mainly from communist nations. Import sources also included the United States (13 films), India (19), France and China.

The Soviet Union, however, introduces foreign films after strict selection, excluding obscene and violent movies, he added.

Director Eldar Aleksandrovich Ryazanov, renowned for the film "Station for Two," said he and the other members of his group came here to obtain a better understanding of Korean films, and consider the import of Korean films, expressing optimism on film exchanges between the two nations.

During the past three years since Gorbachev took power, the Soviet film industry has been liberalized including an end to censorship of Soviet films. An average of 110 television films and 150 dramas are produced annually in the Soviet Union, Ryazanov said, adding that one film company in each Soviet republic produces a variety of films including mysteries, comedies and melodramas.

The three-member group, which also includes actress Nataliya Vavilova, who plays a supporting role in "Moscow Does not Believe in Tears," arrived here Monday at the invitation of Korea's Hyonjin Film, marking the first visit here by representatives of the Soviet film industry.

Hyonjin plans to show "Moscow Does not Believe in Tears," which will be the second Soviet film to be shown here following "War and Peace," during the Lunar New Year holiday next year.

Two Soviet Ships Under Repair at Hyundai Yard
SK1812030988 Seoul THE KOREA TIMES in English
18 Dec 88 p 6

[Text] The Soviet Union is sending an increasing number of its ships to Korea for repairs, it was reported yesterday.

According to business circles, a 24,000-ton Soviet freight ship arrived at Hyundai Mipo Dockyard located in Ulsan, south Kyongsang province, on Nov. 14 and is now being repaired at the dockyard.

Another Soviet vessel with a loading capacity of 5,000 ton made a port call at the same dockyard on Dec. 14 to be repaired. The dockyard is affiliated with the Hyundai group.

It is the first time that Soviet ships have arrived in Korea for repair. The nation maintains no diplomatic relations with the Soviet Union or any other Communist country.

Business sources said that the 24,000-ton Soviet freight ship would leave the dockyard early next week.

They added that major Soviet shipping companies located in the Far Eastern region including Nakhodka plan to deploy their vessels to Hyundai Mipo Dockyard to have them repaired.

It was reported that the two Soviet ships which are now being repaired at the dockyard directly arrived at Ulsan from ports in the Soviet Far Eastern region.

However, the Hyundai group is keeping silent over how the Soviet Union approached it to repair its ships in Korea.

The business sources predicted that the Soviet Union would deploy an increasing number of its vessels to Korea to have them repaired in consideration of the fact that only Korea and Singapore in the Far East and Southeast Asia have facilities for repairing huge ships.

It was also learned that Yugoslavia and other Eastern European Communist countries are negotiating with Korean ship builders for the repair of their vessels.

Meanwhile, the Soviet Union recently disclosed to Japanese trade authorities that its ships are now being repaired in Korea.

It is generally expected that Korea and the Soviet Union will soon open direct sea routes for the promotion of exchange between their fisheries industries.

University Students To Visit Soviet Union
SK2112101188 Seoul YONHAP in English
0950 GMT 21 Dec 88

[Text] Seoul, Dec. 21 (YONHAP)—Some 30 South Korean university students will make a goodwill trip to the Soviet Union in February next year, marking the first such visit by Korean students, a spokesman of a youth organization here said Wednesday.

The tour group will consist of those majoring in Russian language at the Seoul National University and other leading universities, said the spokesman of the Korea International Youth and Student Exchange Society (KIYSES).

Sputnic, a Soviet Government agency which handles matters concerning student trips, has recently informed KIYSES that the Soviet Government has issued an entry permit for the Korean students to visit the Soviet Union, the spokesman said.

The Korean organization will recruit applicants among those who major in the Russian language and are willing to pay the expenses for their trips.

The Korean visitors are to leave Seoul for Hungary on Feb. 5 and spend several days there before entering the Soviet Union around Feb. 10, the spokesman said.

The students will probably visit Moscow, Leningrad and Kiev and meet with Soviet students to promote goodwill between the two countries, said the spokesman, adding that the itineraries will be fixed soon through consultations with Sputnic.

Seoul has no diplomatic relations with Moscow.

Businesses To Take Part in Bloc, PRC Fairs
SK1812022588 Seoul THE KOREA TIMES in English
18 Dec 88 p 1

[Text] Korea will spur its efforts to expand trade ties with Communist bloc nations by actively participating in international exhibitions to be held in those countries.

According to the Korea Trade Promotion Corporation [KOTRA] and business sources yesterday, the government has encouraged local enterprises to promote their corporate images in socialist countries having no formal ties with the nation in anticipation of widening trade contacts with them.

In line with this positive government open-door policy towards socialist nations, large domestic business groups are either planning to hold exhibitions of their own in those countries or take part in international expositions scheduled there.

To begin with, over 20 Korean firms will display their commodities in an exhibition scheduled for next July in Moscow in celebration of the opening of the permanent Korean trade office there during the first quarter of next year.

Among the other major international exhibitions scheduled in Communist bloc nations, in which domestic firms plan to take part are the Peking International Exposition, Zagreb International Fair, Budapest International Exhibition, and the Poznan Exposition.

With such active participation by local firms in exhibitions slated in Communist nations, the foundation for expanded ties in trade with those nations are expected to substantially strengthen, noted officials at the Korea Trade Promotion Corporation.

The Korean Trade Fair planned for Moscow next July will be organized by the Korean Trade Promotion Corporation under the support of the Soviet Chamber of Commerce and Industry (SCCI) with some 20 domestic companies taking part.

The fair, the first of its kind to be held in the capital of the Communist superpower, was agreed upon between KOTRA president Yi Son-ki and the SCCI chairman Malkevich when Yi was in Moscow on an official trip.

For the exhibition, the KOTRA has already secured a vast exhibition site covering 5,000 square meters.

In July, next year, over 30 local business concerns will go to China, with their products, to take part in the first Peking International Exposition (PIE) which will take place in Beijing to mark the dedication of the Peking World Trade Center.

The Chinese International Exhibition Corporation has already sent out invitations to more than 30 Korean enterprises and the KOTRA has obtained 1,000 square meters of exhibition lots.

Besides display booths for local companies, the KOTRA will open a public relations center during the Peking exhibition with the aim of publicizing Korea's investment climate.

Concerning the nation's representation in exhibitions scheduled in the Eastern European countries, eight domestic enterprises have decided to take part in the 61st Poznan Exposition slated for June, next year in Poland.

Businesses Target Bloc Countries in 1989 Plans
SK2012054588 Seoul YONHAP in English
0531 GMT 20 Dec 88

[Text] Seoul, Dec. 20 (YONHAP)—Promotion of marketing efforts in communist countries has been cited as one of the primary goals for major business conglomerates here in 1989.

Investment expansion in high value-added industries and domestic sales promotion have also emerged as common business goals of Hyundai, Samsung, Lucky-Goldstar, Daewoo and other large business groups.

Business sources expect major changes next year in the business climate resulting from expected trade expansion with communist countries, trade frictions with the United States, and liberalization of bank lending rates and the capital market.

They stressed the need to strengthen business competitiveness and prepare for possible business risks arising from the liberalization trend.

Hyundai, Samsung and Hyosung have set sales growth targets of 20 percent, followed by 16-17 percent for Lucky-Goldstar, Daewoo and Kolon, and 12 percent for Sunkyong and Ssangyong.

Kia, buoyed by recent growth in auto sales, is aiming for 35.6 percent sales growth in 1989.

Brisker facilities investment is likely, with Hyundai planning to boost such investment by 40.7 percent, compared with 32.8 percent for Sunkyong, 30 percent for Daewoo, 27 percent for Kolon, 26.6 percent for Sammi, 22.6 percent for Hyosung and Kia, and 22.2 percent for Doosan.

Hyundai has set its sales target at some 29.20 billion U.S. dollars, up 20 percent from this year. Hyundai will focus on autos, electrics, electronics, and petrochemical industries.

Its total investment target was set 40.7 percent higher than this year's 1.97 billion dollars, reaching 2.77 billion dollars.

Hyundai will step up efforts in high-tech machinery, robotics, factory automation, and office automation.

Samsung plans to boost its sales to 36.50 billion dollars and its investment to 3.65 billion dollars.

Samsung will invest 949 million dollars in electronics, 292 million dollars in semiconductors, and 73 million dollars in the communications industry, reflecting its major focus on high-tech developments.

Lucky-Goldstar aims to increase its sales volume to 26.28 billion dollars and investments to 2.19 billion dollars, both up 15-16 percent from this year.

Lucky-Goldstar will focus on competitiveness in domestic operations, and developmental marketing in communist nations.

Daewoo has set a sales target up 16.6 percent to 26.28 billion dollars, and an investment target up 30 percent to 1.90 billion dollars.

Daewoo is expected to intensify its sales promotion in the communist bloc, as well as Asia and Africa.

Its major business policies include diversification of car export markets, development of high value-added products in the electronics and communications industries, and expanded domestic production of parts.

Hungarian Envoy Holds Talks With DJP Chairman
SK2112015688 Seoul THE KOREA HERALD in English
21 Dec 88 p 2

[Text] Hungary will no longer take into account ideological differences in its foreign policy, and, based on its new policy, will open formal diplomatic relations with Korea in the near future, Sandor Etre, representative of the Hungarian Permanent Mission to Seoul, said yesterday.

Hungary will revise its constitution to adopt a multiparty political system in the 1990s, and will permit stock exchanges, Etre said when he visited DJP Chairman Pak Chun-kyu yesterday.

The Hungarian diplomat also told Pak that he was impressed with President No Tae-u's July 7 statement in which he defined his northern policy and his will to open relations with socialist nations.

Pak told Etre that he highly appreciated Hungary's new foreign policy disregarding ideology and hoped that Hungary and Korea will maintain friendly relations.

The Hungarian diplomat is to visit the three opposition leaders this week.

Iraq Seeks Assistance in Rehabilitation
SK2112053988 Seoul THE KOREA HERALD in English
21 Dec 88 p 6

[Text] A top Iraqi construction official said yesterday that his country will give priority to Korean companies in bidding for its post-war rehabilitation projects.

"We will give priority to the Korean companies which worked during the wartime," said Iraqi Minister of Housing and Construction Tahir Muhammad Hassun al-Marzuq, who is visiting Seoul as head of the Iraqi delegation to the fourth Korea-Iraq Joint Committee meeting.

In an interview with THE KOREA HERALD, Al-Marzuq said, "I, as minister of construction, am very satisfied with the Korean companies. They have committed to their construction contracts satisfactorily."

"In bidding for the reconstruction projects," the minister said, "different factors will be considered. The factors include competitiveness of prices, duration of work and quality of technological standards." "Also the source of financing, is a very important point," he added.

The Iraqi minister also said that he wants the Korean government to financially support Korean government to financially support Korean companies taking part in Iraq's rehabilitation projects.

"We hope the Korean government will play a supporting role in financing Korean contractors who want to participate in Iraq's reconstruction projects because it will be a great opportunity for them (Korean companies)," he said.

Noting that he came to Seoul to discuss all the aspects of mutual cooperation between Korea and Iraq, including exchange of experts in the economic and cultural fields, the Iraqi official said that he found Koreans have a keen interest in building up friendship with Iraq.

Asked about the volume of the rehabilitation projects in Iraq, he said it (the volume) depends on his country's desire to restore comprehensive peace to the Gulf region.

Foreign estimates put the cost of rebuilding the country's war-damaged facilities, including oil installations, at \$30 billion. Al-Marzuq refused to comment on the figure.

"The volume of the reconstruction projects is also related to how much will Iraqi economy grows in the future, and we have much faith in our country's future economy and its rapid growth," the minister said.

"There is no limit figure in rehabilitation projects as we have a strong economy and ambitious development projects," he added.

Seven Korean construction companies, including Hyundai engineering and Construction Co., have worked in the Middle East country. Hyundai nearly completed a \$736 million project to construct a 1.2 million kilowatt-capacity power generation plan in Almussaiv, about 72km south of Baghdad.

Kwangju Residents Stage Sit-in at Assembly
SK2112011688 Seoul THE KOREA TIMES in English
21 Dec 88 p 2

[Text] About 100 victims and bereaved family members of the Kwangju turmoil yesterday staged a sit-in protest inside the National Assembly building out of dissatisfaction with the way Assembly hearing are being conducted on the bloody suppression of the civilian uprising. They asked for, in particular, testimony by ex-president Chon Tu-hwan.

They said the Assembly panel on the Kwangju turmoil must continue indefinitely until the whole truth about the tragedy is disclosed. The protesters warned the ruling Democratic Justice Party against seeking to terminate the hearings by the end of this year and demanded that their representatives must be allowed to testify.

They criticized some witnesses, including Chong Ho-yong, for beautifying and justifying themselves in an arrogant manner without showing any will to disclose the truth and showing any sign of repentance.

Chon Kye-yang, chairman of the Kwangju Victims Association, said yesterday that Chon Tu-hwan, President No Tae-u and Chong Ho-yong, former commander of the special warfare commander, must be brought to the courts for their responsibility for the Kwangju tragedy.

He criticized Kim Tae-chung for seeking a political amnesty for the masterminds of the Kwangju massacre, adding that it is the unalterable position of all victims of the Kwangju atrocity that they should be subject to criminal punishment.

The victims blamed the opposition parties for being drawn into the ruling camp's scheme to distort and cover up the tragic event in Kwangju and called upon the three opposition parties to be positive and active in bringing to light the truth behind the Kwangju massacre.

Ministry Investigates Contacts With Journalists
SK2012020188 Seoul THE KOREA TIMES in English
20 Dec 88 p 2

[Text] Officials at the Public Relations Cooperation Office [PRCO] of the Ministry of Culture-Information, formerly the public relations coordinating office, are currently under investigation by the ministry in connection with their controversial contacts with journalists during 1987-88 and the release of relevant documents to a Seoul daily, it was learned yesterday.

Yi Chong-pae, head of the PRCO, and five other officials at the office, who were involved in implementing the so-called press guidelines by contacting journalists, tendered their resignations for the controversy caused by the publishing of their contact reports by the HANG-YORE SINMUN.

The PRCO had earlier submitted the documents to the House Education-Information Committee with assurances that they would not be made public because of their possible damage to the reporters and the papers involved.

One ministry official said that ministry inspectors seek to unveil the truth behind the documents compiled by the officials, as contents of the papers proved to have been distorted or exaggerated in a bid to play up their achievements.

No Appoints An Ung-mo to NSP Deputy Post
SK2112011488 Seoul THE KOREA TIMES in English
21 Dec 88 p 2

[Text] An Ung-mo, second deputy director of the Agency for National Security Planning (NSP), was reassigned as first deputy director of the top government intelligence agency yesterday.

President No Tae-u also appointed Chong Tae-tong, chief of the Defense Intelligence Center at the Defense Ministry, to succeed An as second deputy director of the NSP.

An, 58, served as provincial governor of Chungchongnam-do and as administrator of the Office of Supply, before he was assigned to the NSP.

Chong, 51, taught at Yonsei University after earning a doctorate degree in political science at George Washington University. He served as an advisor for the NSP director and later as minister at the Korean embassy in the United States.

*** Emergence of Progressive Party Examined**
41070031 Seoul ILYO SINMUN in Korean
23 Oct 88 p 7

[Article by Pak Yun-u: "Will There Ever Be a Progressive Political Party?"]

[Text] Will there ever be a progressive party? On 14 September the Hangyore Democratic Party and the Committee for the Promotion of the Reconstruction of a Mass Party were merged into the "Political Coalition for the Formation of a Progressive Party" (Chinboyon), with Che Chong-ku as its permanent chairman, and on 19 October the new coalition group held a ceremony officially opening its office. These moves by progressives are awakening the public that the Chinboyon, a group of people professing to be "reformists," might become a political force.

The possible emergence of a reformist political party is drawing attention for the following three reasons: First, for the past 40 years or more since liberation, more than 10 reformist parties have emerged, but they have all vanished under the offensive of the conservative forces and because of a lack of interest on the part of the public; second, in our society permeated with the reformist-leftist perception, the question remains: How can the walls of anti-communist ideology be breached at all; and third, it is doubtful whether it is possible to secure and organize funds and personnel necessary to sustain the activities of a political party.

The Chinboyon is very optimistic concerning these points. In the view of the Chinboyon, "there were many factors responsible for the failure of the reformist parties in the past, but the most important factor was the absence of a foundation for the survival of a political party."

In fact, the first and foremost reason the reformist parties failed to establish roots in the First Republic under Syngman Rhee and the Second Republic under Chang Myon was that they were unable to secure supporters among the masses. However, the Chinboyon contends that the 13th general election confirmed that there is now a possibility that a reformist party could be established with public support.

In the last general election, not a single candidate was elected to the National Assembly from among the forces making up the Chinboyon. However, Yu In-tae (Chinboyon general secretary) commented that this was "because people cast their votes for the two more conservative opposition parties, in order to hold the DJP in check. And as a matter of fact, the public's response was very warm."

Speaking in particular of the results of the 13th general election, the Party of the Masses and the Hangyore Party each garnered less than 1 percent of the national total of the votes cast. However, it is noted that in local constituencies where these parties put up their candidates, the rate of support exceeded 8 percent.

The Chinboyon is of the opinion that one of the reasons for its optimism is that the forces receptive to the "progressive ideology" advocated by the Chinboyon are growing in number.

At present, about 40 local Chinboyon chapters are politically active, with their own offices set up and their own staffs working on a regular basis. Another factor which provides positive prospects for the Chinboyon is that student, labor, and peasant movements are gradually gaining strength.

Also on the question of overcoming anti-communist ideologies, the Chinboyon's response is that this is entirely possible. According to the Chinboyon, an overall freer atmosphere has become prevalent in society since 29 June of last year, and in addition, the Hangyore Party and the Party of the Masses have carried out energetic propaganda activities, and candidates of the conservative parties have expressed considerably more progressive views during the last presidential and general elections. As a result of these changes, the public's understanding of progressive ideologies has improved.

Moreover, as a concrete step to overcome anti-communist ideologies, the Chinboyon advocates "confrontation through the presentation of specific measures." For instance, the Chinboyon intends to widely publicize its demands, while seeking to eliminate its stereotypical image as a reformist-leftist force by advocating as part of its policy concerning noninterference of foreign forces "the withdrawal of the U.S. forces in Korea", and demanding, based on its policy of fighting dictatorships, the policy of "disbanding conglomerates."

Besides these external factors which need to be overcome, the Chinboyon has internal problems, such as that of securing funds and personnel, as well as organizational problems. This is an urgent problem the Chinboyon has to solve, as indicated by its own reflection on the results of the 26 April general election. The Chinboyon believes that its defeat in that election—the failure to return even a single candidate—was due, in the final

analysis, to the fact that the dearth of funds and personnel barred it from being recognized by the public as "a reliable political alternative force."

First, the Chinboyon plans to solve its financial problems by using membership fees collected from its members and donations from contributors, as well as the state subsidy to the Hangyore Party. The current membership fee is 10,000 won for ordinary members and 30,000-50,000 won for local chapter chairmen and party executives.

It is the strategy of the Chinboyon to concentrate maximum efforts first of all on local activities since local chapters provide a majority of the financial backing. This strategy is partly aimed at eliminating its public image of being one of those "new parties born in the election season," because it was hurriedly organized during the last general election. But it stems principally from the lesson in the last election that in the final analysis, the life of a political party depends on the extent of its support. In the judgment of the Chinboyon, in winning over support it is important to strengthen its ties with the public through local activities while acquainting itself with the public by presenting substantive policy alternatives.

On the question of enlisting new members, the Chinboyon takes an open-door stance. It plans to expand its forces by enlisting small and medium businessmen, conscientious intellectuals, student activists, white collar unionists, and former reformists, in addition to workers, farmers, and the urban poor.

The goal of the Chinboyon is to recruit 10 percent of the eligible voters into its own support force. This is based on its judgment that by doing so, the Chinboyon will account for a certain percentage of members in the overall alliance of democratic forces and exercise a certain measure of influence on this alliance.

In the opinion of the Chinboyon, the opposition forces failed to put up a single joint candidate in the 16 December election, and split into those who were critical of and those who supported candidate Kim Tae-chung, and the group which wanted to stick to a single candidate but could not decide which Kim to back. The Chinboyon sees no assurance that there will not be a recurrence of a similar split in the next presidential election 4 years from now. That is why the Chinboyon believes that it is absolutely necessary to secure 10 percent of the total population as its organized support force, in order to forestall a similar failure in the future.

Despite this blueprint on the future of the Chinboyon, what obscures it is the question of how to integrate those diverse groups which bear the common label of progressive ideology, yet remain separate from one another in different organizations. The merger negotiations prior to the 26 April general election between the Hangyore Party and the Party of the Masses collapsed mainly because the

two parties had different views. How to adjust these differing views remains an important variable in deciding the future of the Chinboyon.

The failure of past merger negotiations between these two parties has stemmed from differences in their perceptions of reality. The Hangyore Party insisted that a broad-base national front should be organized to unite the democratic forces in order to prevent the DJP from leaving the rest far behind. The Party of the Masses, on the other hand, stressed that a party which would thoroughly serve the cause of the masses should be organized. In an attempt to resolve this difference, the Hangyore Party asked the Party of the Masses to make its demand less strident, whereas the latter asked the former to state its position more clearly. In the end, the merger negotiations broke down. Now there arises the question: Has this difference been resolved, and has the possibility of its recurrence disappeared?

Regarding this question, Chinboyon officials answered "such minor differences have long been resolved," and "in retrospect, both parties feel keenly that one of the reasons for their defeat in the general election was the collapse of the merger plan." They stressed that "since we have merged based on our perception of reality, we will never split again."

In addition, the Chinboyon feels that the fact that the two parties came to fully share the same view concerning reality during the merger negotiations provides the basis on which the Chinboyon can clearly rule out any possibility of a split. According to the Chinboyon, a full agreement was reached through more than 20 working-level meetings and 2 public hearings held in the course of the informal discussion on merger which had begun in May.

Moreover, in the case of the Party of the Masses, two different views emerged, one calling for the formation of a committee for the promotion of party reconstruction, the other demanding that reformists band together in the Minunyon faction. In the end quite a few members leaning toward the Minunyon faction broke away. In the case of the Hangyore Party, some of what may be called the right-wing group which had attempted to attenuate the progressive color of the Hangyore Party prior to the merger negotiations naturally dropped out, resulting in a more homogeneous sharing of ideologies. These developments within the two parties are also regarded as a positive factor for the Chinboyon.

However, it remains still doubtful whether opposition figures skilled in logic and debate will accept the "logic of organization" that once a decision is made, everyone should follow it. Concerning this doubt, Chinboyon spokesman Kim Pu-kyom was confident when he said: "A consensus has been secured on an issue like this." According to him, not only has a from-the-bottom-up decision-making system been worked out which allows

everyone to express his views fully during the course of discussion, but also an agreement has been reached that once a decision is made by the majority, everyone should submit to it.

When the remarks of these officials are pieced together, one may be "optimistic" about the future of the Chinboyon—which was organized by the 12 September merger declaration, but there are still so many variables that it is hard to say anything definitely about its future.

The first variable to be noted is the possibility that the four conservative parties will join forces to curb the activities of the progressive forces. This possibility cannot be ruled out in view of the precedent set in the days of the First Republic, when the progressive party was forced to disband under the suppression of the ruling party with the connivance of the conservative opposition parties. In addition, how to underscore its distinctions from the PPD [Party for Peace and Democracy], which is regarded as relatively progressive, and what kind of relationship it will forge with the PPD is one of the difficult problems confronting the Chinboyon.

In his policy speech President No stated that forces respecting parliamentary democracy will naturally have their activities guaranteed in the diversity of democracy, "but" "unlawful acts of violence designed to overthrow free democracy shall no longer be tolerated." To what extent the Chinboyon will be able to revitalize its activities under this principle is an unknown quantity.

The Chinboyon has elected the following officials to its board of representatives: Che Chong-ku (poor people's movement activist), Choe Pyong-uk (peasant movement activist), Chong Tae-yun (labor movement activist), and Yi Kang-chol. It also has named Yu In-tae as secretary general, Yi Kyong-chae as chief of Policy and Planning, Yom Man-suk as deputy secretary general, and Kim Pu-kyom as spokesman. These personnel actions will add impetus to the internal organization of the Chinboyon. Meanwhile, the Chinboyon has presented a blueprint to inaugurate a preparatory committee for party founding in November and complete the founding of the party by January. It has made public the idea that "in the future, by bringing together all organizations and all democratic personages desiring independence, democracy, and unification, with the Chinboyon serving as the foundation, we will found a progressive mass party which will truly represent the interests of the masses."

However, the general appraisal is that in view of the given conditions within and without, it will not be before the 14th general election that success or failure in founding a new [progressive] party is clearly determined.

YONHAP Reviews Political Events of 1988
SK1712014488 Seoul YONHAP in English
0050 GMT 17 Dec 88

[By Chae Song-hui]

[Text] Seoul, Dec. 17 (YONHAP)—As for the 42 million South Koreans, the year 1988 is likely to be remembered

with unforgettable memories of a peaceful transfer of power and many subsequent dramatic changes in the nation's social and political sectors.

Evident enough is that most of the political events and changes which took place in this year differ in nature from much of the previous political turbulence in that they occurred in a situation under which authoritarian arbitrariness was efficiently eliminated.

The administration of President No Tae-u, who was inaugurated on Feb. 25, faced blatant checks by the opposition-controlled National Assembly when seeking to adopt some controversial policies. On the other hand, it has often been pressed to entertain a conciliatory attitude toward some opposition demands which nobody thought could have occurred under previous governments.

The year's most memorable political shock came in the general elections on April 26 when the three opposition parties won a combined majority of seats stripping the ruling party—the Democratic Justice Party (DJP)—of its majority for the first time in the history of the nation's parliamentary politics. This meant that No, who won the Dec. 16, 1987, presidential election narrowly over a divided opposition, would not be able to exercise his authority unchecked as his predecessors used to do.

No has sought some initiatives aimed at sweeping the "legacies of authoritarian rule" away from the existing political system to make good on his earlier pledges and is assessed to have achieved success to a certain degree in those efforts. For example, he prevented close aides and relatives of former President Chon Tu-hwan from being on the list of candidates for the general elections.

No curtailed the size and function of a council of former presidents for advising on state affairs which former President Chon was to chair. Chon, who was at that time suspected of seeking continued influence over state affairs, resigned from the council's chairmanship out of moral responsibility for his younger brother Kyong-hwan's involvement in massive financial scandals.

Chon's resignation from the council, regardless of whether No himself engineered such a move, symbolized the fall of the so-called "forces of the Fifth Republic" and was regarded as a meaningful step toward the pledged "liquidation" of the bad legacies of the past administration.

The functions of the Agency for National Security Planning, South Korea's version of the American Central Intelligence Agency, and the Defense Security Command, a combined military intelligence agency, were also streamlined to prevent them from supervising civilian affairs including politics. The measures are remarkable when considering the controversial abuses of power involving the two powerful government intelligence arms.

Such notorious security-related laws as the National Security Law, which was used to battle communism, were also ordered to be revised in accordance with No's earlier pledge to rewrite or abolish the laws and systems which were criticized for being devised as tools to contain dissident political views.

Even though critics have charged that No is trying to seek a barter deal, he has announced his government's decision to release almost all political detainees within this year. The announcement came in his recent special statement calling for the people's leniency toward scandal-ridden Chon and his wife who went into self-imposed rural exile on Nov. 23.

Chon sought a life of seclusion after turning his wealth over to the state coffer in confessed repentance for his past wrongdoing. Rural exile has been accepted in Korean tradition as a form of disgrace for government officials found to have been involved in misdeeds.

It is a fact that some of No's initiatives for democratization were instrumental in fostering a fresh atmosphere in the domestic political front. But No is yet to fully satisfy the opposition parties which have consistently demanded judicial action against Chon and his wife before the former first couple are granted presidential pardon.

Critics say No seems to have underestimated the public resentment over the wrongdoing involving Chon who they say was the principal architect of the brutal suppression of the 1980 Kwangju civil uprising, the forced social purification drive and forced mergers and closures of news organizations in 1980.

Chon and his wife as well are widely suspected of having amassed a huge fortune from donations collected from business groups in return for granting them various privileges, despite contentions by Chon's close associates that almost all of the donations were spent as political funds.

What makes No's situation awkward is that the opposition parties are most likely to extend the ongoing parliamentary probes into the Kwangju uprising and "irregularities" perpetrated by Chon's government into the New Year. The related parliamentary hearings have been televised live and have given rise to public anger at Chon's misdeeds thereby making the settlement of the Chon case further complicated.

The hearings were themselves a phenomenal event in the ongoing political transition in that they were assessed to have provided the general public with "on-the-spot" instruction in the rightful role and merits of the representative government system.

The news media have in general been free of any outside intervention in expressing their own political views. Their massive coverage of the corruption and abuses of power committed during Chon's administration was not censored, marking a striking contrast to past governments.

No seeks in the earlier half of the New Year to conduct a confidence vote in a bid to have public trust in him reconfirmed. Should he succeed in brushing aside an opposition move to discredit him through the vote, which is believed will take the form of a plebiscite, No will probably seek a coalition with moderate opposition parties in a symbolic move toward a virtual new start for his "Sixth Republic."

It remains uncertain at this moment whether the opposition parties, which have traditionally been "conservative" in nature, would agree to join his call for a "grand coalition of all conservative forces." The leading opposition Party for Peace and Democracy reserved its immediate response but the other two parties accused No of trying to trigger a division among the opposition forces.

No's latest call for a common front of all conservative forces draws keen attention for it might signal that his government could stage a major campaign against leftist-leaning elements in the coming year for the first time since his inauguration. No has often faced acute criticism even inside his party for his "indecisiveness" in combating leftism.

The so-called leftist elements, which comprise radical students and political dissidents, have called for No to step down from the presidency and for legal action against former President Chon and his wife and have even denounced the existing opposition parties for what they see as a lack of determination to force No to take legal action against the Chons.

The "revolutionaries," as the ruling camp sees them, failed to win any seats in the April general elections so their political parties have been discredited.

No Tae-u Presides Over Economic Policy Meeting
SK2012013088 Seoul THE KOREA HERALD in English
20 Dec 88 p 2

[Text] President No Tae-u said yesterday that the excessive demands of the people have brought the economy to a crossroads from where it can enter into the ranks of advanced countries or move backward.

Presiding over a session on economic policy for next year at Chongwadae, No told Prime Minister Kang Yong-hun, all economic-related ministers and some 50 other government officials and businessmen that there has been unbalanced development between regions, classes and industrial sectors because of rapid economic development.

"The government, however, cannot meet all demands of different groups at once," he said.

The nation should open itself wider to foreign products and actively take part in world economic development, he said.

No said management of imports is more important than exports for development of the economy.

He told the economic-related ministers to ignore public opinion in pushing ahead with major national economic tasks.

Cho Announces Plan To Increase Imports
SK2012074488 Seoul YONHAP in English
0651 GMT 20 Dec 88

[Text] Seoul, Dec. 20 (YONHAP)—Korea will expand imports next year to meet rising U.S. pressure for the won's appreciation against the U.S. dollar, Deputy Prime Minister Cho Sun said Tuesday.

At a news conference, Cho, concurrently economic planning minister, said that it will be desirable to foster conditions under which the country does not need to raise the won's value, stressing that U.S. pressure for the won's appreciation will continue to be strong next year.

"We must dismiss the idea that exports are good and imports are bad," he said. "Expanding imports is the best way for the country to survive in international society."

He also said the government will push ahead with such plans as expanding special foreign currency loans, allowing the inducement of raw materials and facilities from Japan and extending long-term low-interest structural adjustment funds to support export-oriented small businesses, which have been hit the hardest by the won's appreciation.

As for prices, he pointed out that the government target of a five percent increase in prices next year will be subject to such factors as total demand and cost.

Government To Reduce Excise Tax on 24 Products
SK2112024288 Seoul YONHAP in English
0230 GMT 21 Dec 88

[Text] Seoul, Dec. 21 (YONHAP)—Consumer prices of 24 industrial products, including color television sets, will drop starting Jan. 1 due to reduced excise taxes on those items, the government said Wednesday.

Combed yarn will top the price reduction list with a 15.4 percent cut on a factory price basis followed by sugar with 11.2 percent, and refrigerators and color television sets with 7.6 percent, according to a report released by the Trade and Industry Ministry.

Next follow pianos with a 4.4 percent reduction, videotape recorders with 2.9 percent, and furniture with 0.6 percent, the report said.

The government, which has already announced its plan to cut excise taxes to stabilize consumer prices, will watch whether the tax reduction is reflected in the consumer prices of those items.

The report predicts that the lower prices of those items will reduce the overall wholesale price by 0.189 percentage point.

Other items included in the price reduction plan are quality furs, stereo equipment, watches, glassware and clothing.

Daily Credits Businessmen for Economic Growth
SK1712005088 Seoul THE KOREA TIMES in English
17 Dec 88 p 3

["News in Review" by city editor Chong Un-pung: Businessmen Deserve Credit for Economic Performance"]

[Text] Amidst the pile of unpleasant news coupled with uncertainty on the political and labor front, there has appeared good news, good enough to make people beam in delight.

The Soviet Union has reportedly proposed that Korea supply \$300 million for the construction of a mammoth furniture plant in Siberia.

Adding to the delight is news that Korea will emerge as a creditor nation next year, when Korea's overseas assets will outstrip its foreign debts by as much as \$3 billion.

As the people have been so long buffeted by political upheavals, labor disputes, and campus unrest, they do not readily give good news its due credit.

Anyhow, it is certain that the Soviet Union, which grownups were taught to loathe, appears to have come along.

And Korean businessmen are starting to sound out business feasibilities in the once-forbidden communist giant, which was eloquently manifested in a house hearing by the nation's top business leader Chong Chu-yong.

Apparently to court the Korean people, a group of film personalities from the Soviet Union is to visit the country soon, timed with the local release of a Russian film.

Russian maneuvers are strongly felt here these days occasioned by the Seoul Olympics. They sent a ballet troupe along with two female vocalists of Korean ethnic background during the Olympic period.

Not only businessmen but also newspapermen are making visits there, something that could never have been thought of just a couple years ago.

There is no reason for the two neighboring countries not to get along.

The United States has just broken new ground by dialogue with the PLO over Israel's objections.

Gorbachev dropped a bombshell announcement on Dec. 7 that the Soviet Union would cut its armed forces by 500,000 unilaterally.

Now, the United States has to do something in return, if not immediately, because of its hands being tied by the lameduck nature of its administration.

At least in business, Korea and China are getting closer and closer. There are few leading businessmen who haven't visited China yet. Already a lot of people have visited the country for tourism and the number will keep increasing.

Breaking icy relations, the Soviet Union and China are to normalize relations sooner or later.

At least in outward appearances, Washington, Moscow and Beijing are getting along better with one another. And chances are high for tensions on the Korean peninsula to ease. But, it is not like what it appears to be.

Despite the lapse of almost a full year since President No Tae-u was inaugurated, he could not afford to get down to work because of lingering political issues concerning the liquidation of the ill legacies of the past regime.

And the social and political outlook next year is not like what it is hoped to be. Reports have it that activists fanned out to industrial sites across the nation to awaken the consciousness of the workers.

And labor strike has been so frequent that it appears to be the order of the day, serious enough to cause doubt if the nation's business can manage to cope with it.

Fortunately, the nation's businesses have fared so well this passing year despite negative factors including the rising won and labor disputes that even the Soviet Union wants Korea to help in the construction of a furniture plant in Siberia.

Businessmen are frequently made objects of various kinds of criticisms. Notwithstanding, it is the businessmen that have made the nation's economy what it is now.

They may well claim credit, not the politicians whose overbearing manner and meanness were unequivocally laid bare by recent hearings and foiled attempts to raise their monthly salary by as much as 87 percent.

Daily Urges Policy Change To Reflect Growth
SK1712005888 Seoul THE KOREA TIMES in English
17 Dec 88 p 8

[Editorial: "Economic Policy Shift"]

[Text] It is reassuring to hear that the nation's GNP has attained an average high growth of 12 percent over the past three years, while its current-account surplus, which was first achieved in 1986, has also grown steadily.

According to the 1988 GNP estimate disclosed by the Bank of Korea, the year's GNP growth is estimated at 12.1 percent, a high level far beyond the original projection of 10 percent, with the per capita GNP estimated at \$3,728, up from last year's \$2,861.

The two-digit economic growth is a rare achievement among world countries, being notable in that it was attained in spite of such difficulties as a slowdown in export growth, due to the sustained appreciation of the local won, labor-management disputes and other ordeals the nation has been suffering in this transitional period toward democratization in all sectors.

Also encouraging is the fact that the nation's unemployment ratio has remained at a low 3 percent over the same three years. And, overall prices, though consumer prices went up 6-7 percent last year and this year, were kept within a not-so-worrisome level.

Meanwhile, according to the 1989 major economic predictions made by the Economic Planning Board, the GNP is expected to rise by 8 percent to push the per capita GNP up to \$4,570, due to a substantial growth in manufacturing and construction services, in particular.

The year's higher-than-expected economic growth is attributable to the nation's growth potential, apparently cemented over recent years, resulting in a sizable increase in domestic demand.

This is illustrated by figures showing that the year's gross domestic product (GDP) growth of 11 percent was highly dependent on increased domestic demand, with domestic consumption estimated to rise by 8.1 percent from last year.

On the other hand, export growth was slowed down to 13.5 percent this year from 24.4 percent last year, much affected by the acute won rally of 15 percent over the year.

The favorable potential has resulted from industry's stepped-up efforts to save production costs, innovate and turn out new viable products with international competitive edges.

These efforts are imperative if the nation is to survive the foreign pressure to continue the won appreciation and open Korean markets internationally.

Yet, there are various structural problems to be solved that mark the nation's economic performance. One of them concerns the fact that the increased domestic demand has been led by cars, airconditioners and other expensive durable consumer goods that a limited number of high-income earners can afford to buy.

This means that indicators of a substantial increase in consumption, which may in itself be desirable in that it reduces dependence on foreign demand for our exports, do not necessarily mean that there has been any balanced improvement of the people's living standards.

In this context, now that the per capita GNP is expected to reach the \$5,000 level in only a couple of years, an economic policy shift is needed to improve the quality of the masses' living standards.

To this end, greater efforts are in order to fairly distribute wealth or the fruits of economic growth, and rectify the wide imbalance between different segments of society. By so doing, the number of those who think GNP growth means nothing for them will be reduced substantially.

In this regard, it is appropriate that the new economic ministers, led by Deputy Premier-Economic Planning Minister Cho Sun, are reportedly placing top priority in their policy orientation on the fairer distribution of income.

The new Cabinet is urged to make more efforts to enhance the living conditions of especially those in the low-income brackets, including farmers, fishermen, low-paid wage earners and needy urbanites, paying keen attention to improved measures for their housing, education of children and medical treatment.

In fact, the government has thus far implemented its economic policies with acute focus on the successful attainment of macroeconomic targets, while paying less heed to the broadly-based balanced enhancement of the masses' living standards.

Along with the policy shift, also needed are sustained efforts to arrest inflation and discourage excessive consumption or waste of national resources.

Burma

Malaysian Ambassador Visits Electoral Officials *BK2012144988 Rangoon Domestic Service in Burmese* 1330 GMT 20 Dec 88

[Text] Mr Sallehudin bin Abdullah, Malaysian ambassador to Burma, visited the Office of the Commission for Holding Democratic Multiparty General Elections at No 94, Natmauk Road, Bahan Township, Rangoon, at 1400 today and held talks with the chairman and members of the elections commission.

During the meeting, the commission chairman and the members gave frank and friendly answers to the questions raised regarding the holding of democratic multiparty general elections.

Curfew Hours Further Relaxed by 1 Hour *BK2012143188 Rangoon Domestic Service in Burmese* 1330 GMT 20 Dec 88

["Order No 9/88 of the State Law and Order Restoration Council, dated 20 December—the 12th day of the waxing moon of Nadaw, 1350 Burmese era"]

[Text] Order No 8/88 issued by the State Law and Order Restoration Council on 18 October—the 8th day of the waxing moon of Thadingyut, 1350 Burmese era—has been amended as follows:

No one, without proper authorization, is permitted to travel on the streets between 2100 and 0400, has been changed to: No one, without proper authorization, is permitted to travel on the streets between 2200 and 0400.

By the authority vested in me.

Signed: Brigadier General Khin Nyunt, secretary-1, State Law and Order Restoration Council.

LPD Issues 'Demand' for Elections Before May *BK2112125088 Hong Kong AFP in English 1225 GMT* 21 Dec 88

[Text] Rangoon, Dec 21 (AFP)—Burma's League for Democracy and Peace (LPD), formed under the patronage of former Premier U Nu, has demanded that multiparty elections be held no later than April 30, 1989.

The LPD said in a statement issued Tuesday that it had sent a three-point demand to the State Election Commission regarding the holding of free and fair elections.

According to the demands, authorities should totally cease suppressive actions, including arrests, before the end of December, so that a three-month period be allowed to freely conduct election campaigns and for the elections to be held by the end of April.

LPD General Secretary U Than Sein said Tuesday that the decision to send the three-point demand had been made by the LPD's Executive Committee December 9.

Meanwhile, military authorities on Tuesday relaxed an overnight curfew by one hour after repeated calls from political parties to lift the curfew as well as a ban on public gatherings.

A dusk-to-dawn curfew came into effect with the gatherings ban September 18 when the military seized power. It was cut by four hours a month later.

There is speculation here that authorities may lift the ordinances by the year's end.

The state-run press said Wednesday that this would be of paramount importance to ensure law and order for the successful holding of elections.

"The tatmadaw (military) is performing this task with genuine cetana (sincerity). Successes have been achieved due to this cetana," THE WORKING PEOPLE'S DAILY said.

But the newspaper said that political parties were taking advantage of ceremonies of raising their sign-boards at their headquarters to attract crowds of 500 to 600 to gather and make speeches. These were "aimed at stirring up disturbances," the newspaper said.

Articles critical of political parties have been appearing frequently in the state-run press. Although no political party has been named, the latest article said one party had put up antigovernment posters.

"The worst is that this was the party that has made young students go underground," it said.

It said that the leader of another party had "sent a special messenger to make contacts with the KNU."

The Karen National Union (KNU), one of some dozen ethnic insurgent groups fighting Rangoon since Burmese independence in 1948, is now training pro-democracy students to fight the military government.

The article went on to warn political parties against making contacts with insurgents and receiving foreign assistance and to refrain from "activities aimed at sowing dissension within the military."

It was unclear whether these articles were aimed at keeping the nearly 170 registered parties in line or were meant to usher in official action against parties for alleged infringements of prevailing regulations, analysts said.

Procedures for Foreign Investment Law

BK2112030788 Rangoon *WORKING PEOPLE'S DAILY*
in English 8 Dec 88 pp 5, 6, 7

["Procedures relating to the Union of Burma Foreign Investment Law" issued under Notification No 11/88 of the Government of the Union of Burma, dated 7 December—the 14th day of the waning moon of Tazaungmon, 1350 Burmese era]

[Text] In exercise of the powers conferred under section 32 of the Union of Burma Foreign Investment Law, the Government of the Union of Burma prescribes the following procedures:

Chapter I

Title and Definition

1. These procedures shall be called procedures relating to the Union of Burma Foreign Investment Law.

2. The expressions contained in these procedures shall have the same meanings as are assigned to them in the Union of Burma Foreign Investment Law. In addition, the following expressions shall have the meanings given hereunder:

- (a) "Law" means the Union of Burma Foreign Investment Law;
- (b) "Form" means the form attached to these procedures;
- (c) "Member" means the Chairman or member of the Union of Burma Foreign Investment Commission.

Chapter II

Formation of the Commission

3. The Commission shall consist of the following persons:

- (a) Minister, Ministry of Planning and Finance: Chairman
- (b) Minister, Ministry of Trade: Member
- (c) Minister, Ministry of Industry No (1): Member
- (d) Minister, Ministry of Industry No (2): Member
- (e) Minister, Ministry of Energy: Member
- (f) Minister, Ministry of Agriculture and Forests: Member
- (g) Minister, Ministry of Transport and Communications: Member
- (h) Minister, Ministry of Mines: Member
- (i) Minister, Ministry of Construction: Member
- (j) Minister, Ministry of Livestock Breeding and Fisheries: Member
- (k) Minister, Ministry of Co-operatives: Member

4. The Secretary of the Commission shall be appointed and assigned duties by the Chairman of the Commission.

Chapter III

Economic Activities which may be carried out

5. The Commission shall with the prior approval of the Government publish a list showing types of economic activities in which foreign investment may be made. In connection with this matter replies shall also be given when enquiries are made.

Chapter IV

Submission of Proposal

6. A promoter shall state the following particulars in submitting a proposal:

- (a) name of promoter, citizenship, address, place of business, place of incorporation, type of business;
- (b) if investment is to be made by joint-venture, particulars mentioned in sub-clause (a) relating to the persons wishing to participate in the joint-venture;
- (c) evidence in support of sub-clause (a) or sub-clause (b);
- (d) commercial and financial references of the promoter or persons wishing to participate in the joint-venture;
- (e) particulars relating to production or services enterprise in which investment is to be made;
- (f) intended form of organization in which investment is to be made in the State;
- (g) if a partnership is to be formed, draft partnership agreement, the ratio and amount of capital to be contributed by the partners, the profit sharing ratio and the rights and liabilities of the partners;
- (h) if a limited company is to be formed, draft contract, drafts of the Memorandum of Association and Articles of Association, authorised capital of the company, types of shares, the number of shares to be subscribed by the shareholders;
- (i) name, citizenship, address and designation of the executives of the organization in which investment is to be made;
- (j) the total capital of the organization in which investment is to be made, the ratio of local and foreign capital, total amount of foreign capital to be brought into the State, the value of the various types of foreign capital and the period within which such foreign capital is to be brought in;
- (k) the intended term of investment, the period of construction;
- (l) place or places in the State where investment is to be made;
- (m) techniques and systems to be used in the production and sale;
- (n) the type and quantum of energy to be used;
- (o) the quantity and value of the main machineries, equipment, raw materials and similar materials required to be used during the period of construction;
- (p) the type and area of land required;
- (q) volume and value of annual production of the enterprise and volume and value of services;
- (r) annual requirement of foreign exchange to carry on the business and the estimated amount of foreign exchange earnings;
- (s) volume and value of goods to be sold locally and abroad annually;

- (t) the number, category and tenure of personnel required locally and from abroad;
- (u) economic justification.

7. An application containing the above particulars shall be made in the attached Form (1) and shall be signed in person by the promoter and submitted. In addition, draft contract shall also be submitted together with the said application.

8. If it is an economic enterprise in which foreign capital to the extent of one hundred percent is brought into the State and invested, the promoter shall submit together with the application, draft contract to be executed with an organization determined by the Ministry concerned.

Chapter V

Scrutiny of Proposal

9. The Commission shall scrutinize financial credibility in the following manner:

- (a) in cases where necessary, to examine the audited annual final accounts of the person who will bring in foreign capital;
- (b) to require Myanma Foreign Trade Bank to make enquiries through its foreign correspondent banks regarding the business standing of the person who will bring in foreign capital;
- (c) to call for supporting evidence and to scrutinize the same as to whether any citizen subscribing capital actually has sufficient capital or not.

10. The Commission shall scrutinize the following particulars with regard to the economic justification of an enterprise in which investment is to be made:

- (a) estimated annual net profit;
- (b) estimated annual foreign exchange earnings and requirements;
- (c) recoupment period;
- (d) prospects of new employment;
- (e) prospects of increased national income;
- (f) local and foreign market conditions;
- (g) requirement for local consumption;
- (h) prospects of foreign exchange savings;

11. The Commission may form technical bodies as may be necessary in order to scrutinize the appropriateness of technology.

12. The Commission shall scrutinize application containing the proposal and the draft contract after obtaining the opinion of departments or organizations concerned.

Chapter VI

Issue of Permit

13. On approval of the proposal by the Commission, a permit in the attached Form (2) shall be issued.

Chapter VII

Termination of Business before the Expiry of its Term

14. On submission of a desire to terminate the business by mutual agreement before the expiry of the term of the contract, the Commission may, based upon the following particulars scrutinize as to whether or not it is correct and justified, and allow the termination:

- (a) substantial and continuous losses in the enterprise;
- (b) breach of the terms of contract by one of the parties to the same;
- (c) occurrence of force majeure;
- (d) incapability of implementing the original aims and objects of the enterprise.

Chapter VIII

Insurance

15. An economic organization formed under a permit:

- (a) shall effect the following types of insurance with the Myanma Insurance Corporation:
 - (1) Machinery Insurance;
 - (2) Fire Insurance;
 - (3) Marine Insurance;
 - (4) Personal Accident Insurance.
- (b) may effect the following types of insurance; if so desired, with the Myanma Insurance Corporation:
 - (1) Contractors' All Risks Insurance;
 - (2) Erection All Risks Insurance;
 - (3) Electronic Equipment Insurance;
 - (4) Other insurance accepted by the Myanma Insurance Corporation.

16. In effecting insurance the details shall be worked out in consultation with the Myanma Insurance Corporation.

Chapter IX

Appointment of Personnel

17. An economic organization formed under a permit shall allow its personnel to enjoy, at least, the workmen's rights contained in the existing laws of the State.

18. The Commission shall, in permitting the appointment of foreign experts and technicians, carry out the following:

- (a) prescribing the type, number and term of the required foreign experts and technicians according to the individual business organization;
- (b) in cases where necessary, obtaining the opinion of the Ministry of Labour.

19. An economic organization formed under a permit shall have the right to fix the salary and wage rates of its local personnel and foreign experts and technicians, to

determine the payment of such salary and wages in kyat or foreign currency after consultation, and to terminate the services of such personnel.

20. An economic organization formed under a permit shall make arrangements for local and foreign training so as to ensure its local personnel proficiency in their work and promotion to higher ranks of services.

Chapter X

Exemptions and Reliefs from Taxes

21. The Commission may, either by notifying on its own motion or on the application of the promoter or the investor, grant exemptions or reliefs from taxes. In so granting, the type of exemption or relief shall be specified. In necessary cases the period for such enjoyment shall be stipulated. Where rates of depreciation have been prescribed and allowed on capital goods, such rates shall also be specified.

22. The Commission on receiving the application may, after necessary scrutinization as to whether it is justified or not, grant such exemption or relief and period thereof, as may be appropriate. Such exemption or relief shall be intimated to the promoter or investor, and the departments and organizations concerned.

23. In allowing a deduction of expenses for research and development relating to the enterprise from the assessable income, the said allowance shall pertain only to those works of research and development which cannot be conducted by any department or organization of the State.

Chapter XI

Evaluation and Registration of Foreign Capital

24. In evaluating foreign capital in terms of kyat for the purpose of registration by the Commission the following shall be carried out:

- (a) to cause to be brought in foreign currency in any type of foreign currency acceptable to the Myanmar Foreign Trade Bank, and to evaluate the same at the prevailing official rate of exchange;
- (b) to cause the value of the types of foreign capital other than the foreign currency to be stated in any type of foreign currency acceptable to the Myanmar Foreign Trade Bank and to scrutinize whether the value of the respective foreign currency so stated is appropriate or not, and to evaluate such values so scrutinized at the prevailing official rate of exchange.

25. The Commission shall register the type of reinvested foreign capital in terms of kyat and in any type of foreign currency acceptable to the Myanmar Foreign Trade Bank.

Chapter XII

Right to transfer Foreign Currency

26. Foreign currency entitled to be transferred abroad under section 26 of the Law shall be transferred through the Myanmar Foreign Trade Bank.

27. In determining the net profits transferable abroad the following funds shall be deducted:

- (a) employees' bonus fund;
- (b) contribution made by the employer to the employees' provident fund;
- (c) employees' social and welfare fund;
- (d) enterprise development fund;
- (e) such other funds as are required to be reserved according to commercial practice.

28. In deducting the living expenses of the foreign personnel and of his family, the Myanmar Foreign Trade Bank shall scrutinize on the basis of the following:

- (a) cost of accommodation;
- (b) cost of messing;
- (c) salary and wages paid to menials such as domestic help, cook and driver;
- (d) household, medical and other expenses.

Chapter XIII

Matters Relating to Foreign Currency

29. An economic organization formed under a permit shall, for the purpose of carrying out financial transactions such as depositing, withdrawing and transferring foreign currency and kyat relating to the business, open a foreign currency account and a kyat account in the Myanmar Foreign Trade Bank.

30. Foreigners serving in any such economic organization shall open a foreign currency account and a kyat account in the Myanmar Foreign Trade Bank.

Chapter XIV

Meetings

31. The Commission shall hold meetings at least twice a month.

32. The Chairman of the Commission shall preside at the meetings. When the Chairman is unable to attend, any member assigned by him may preside at the meeting.

33. Two-thirds of the members present at a meeting shall constitute the quorum.

34. The Commission shall make decisions by majority vote of the members present at the meeting.

35. The Commission may invite to the meeting such persons as are required.

By Order,

Signed: Maung Ko
Secretary of the Union of Burma

Two More Political Parties Announce Platforms

National Politics Front

BK2112085588 *Rangoon Domestic Service in Burmese*
1330 GMT 20 Dec 88

["Press Release No 163/88 of the Commission for Holding Democratic Multiparty General Elections, dated 20 December—the 12th day of the waxing moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the National Politics Front, which has registered with the Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 155, corner of 79th Street Laphetchauk-B Street, Hemazalat Ward, Mandalay Northeast Township, Mandalay Division.

2. Aims:

- A. To systematically attain through legal means, and to safeguard, democratic rights declared in the UN Charter and the Universal Declaration of Human Rights;
- B. To build a national republic that is peaceful, pleasant, independent, and self-reliant; and
- C. To cooperate with nations internationally in the efforts to prevent world war, regional wars, and nuclear war and to oppose neocolonialism and apartheid.

3. Programs:

- A. To draft and establish a new state constitution that strongly guarantees democratic rights and respect for humanity embodied in the UN Charter and the Universal Declaration of Human Rights;
- B. To revive the national economy; to build a new and modern country; and to overcome through political means the problems being encountered and build peace in the country as a peaceful and stable environment is a necessary requisite for development;
- C. To strongly defend the rights of the ethnic minorities while standing firm on the basis of ensuring stability and perpetuity for the Union, and to build genuine national unity and national equality;
- D. To decisively oppose all forms of dictatorship, major race chauvinism, and narrow-minded racialism which are the main threats to democracy, peace, and national unity;
- E. To welcome and accept any unattached economic assistance and cooperation with any country, organization, or individual if such an exercise contributes to the development of the national economy;

F. To provide freedom to engage in economic ventures, manufacture, and trade provided that such a freedom is not opposed to the development of the national economy;

G. To advance toward mechanized agriculture that provides the peasants freedom to cultivate, sell, mill, transport, and store on the basis of the policy that the tillers shall be owners of the land;

H. To implement a free basic education system and to practice a democratic education system that is of world standards and that fulfills the needs of the country. A four-sided coordination involving the students, teachers, parents, and the government will be carried out in implementing an education policy; and

I. To practice an independent and nonaligned foreign policy on the basis of the five Bandung principles.

Union Progress, Justice Action

BK2112090688 *Rangoon Domestic Service in Burmese*
1330 GMT 20 Dec 88

["Press Release No 164/88 of the Commission for Holding Democratic Multiparty General Elections, dated 20 December—the 12th day of the waxing moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the Union Progress and Justice Action Party, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 82, Mingala Street, Sanchaung Township, Rangoon Division.

2. Aims

- A. To build a new democratic country by continuing to maintain the independence and sovereignty of the Union of Burma.
- B. To extend and consolidate the basics of democracy—justice, freedom, and equality—to work toward the growth of democracy.
- C. To work toward transforming the nation from the status of a least developed country to a nation that is fully developed.
- D. To practice an independent and active foreign policy.
- E. To work toward the emergence of a modern and stable education system that contributes to the development of the country.
- F. To recognize and believe in the capability of youths, and to work hand in hand with the new generation.

3. Programs

- A. To work to gain state power only through democratic means.
- B. To work to attain peace in the country through political means.
- C. When drafting a new state constitution, to suggest for the inclusion of articles that prevent a dictatorial administration from emerging and that also prohibits secession from the Union.

- D. To encourage the private economy, to permit foreign investments, and to set up export-oriented industries.
- E. To create economic conditions that keep unemployment at the lowest level and to work to promote the standard of living of the workers and peasants.
- F. To permit the tillers to own the land they work on, and to encourage the efforts to reclaim new farmland.
- G. To pass laws through which effective action can be taken against governments and individuals who abuse the power people have bestowed upon them.
- H. To provide equal education opportunities to all citizens and to pass education policies that are in harmony with modern times.
- I. To organize youths, who shall be taking charge of the country in the future, to take part in the social and political fields.
- J. To cooperate and work together with other democratic forces that share common objectives and programs.

Dissident Students Attend Guerrilla Training
BK2112013288 Bangkok BANGKOK POST in English
21 Dec 88 p 3

[Text] Kaw Moo Rah Camp, Burma—170 Burmese dissident students and civilians are attending intensive guerrillas warfare training courses at this Karen rebel camp, opposite Mae Sot District of Tak Province.

They are the first major group undergoing military drills using real war weapons.

The 170 include college and university students and former Burmese civil servants who fled the Saw Maung military regime since September.

The group, aged between 15-30 years, have come from many towns throughout Burma, such as Moulmein, Pagan and Rangoon.

They are among 8,000 people who left towns from the jungles to join ethnic rebel groups.

More than half of these people are staying with Karen rebels near the Thai-Burmese border.

Armed with war weapons and dressed in military fatigues, the dissidents here had been transferred from two other Karen camps: Thay Baw Bow camp, opposite Phop Phra District and Klerdy camp, opposite Tha Song Yang District of Tak Province.

Dr Thaug Htun, 29, from Rangoon, who supervises the military training here said the courses will last three to six months. The group will also attend guerrilla warfare training in the nearby jungles.

He did not disclose whether the students would be sent to the battlefield to help Karen rebels fight Burmese government forces.

Sources in the Karen National Union (KNU) said a large number of Burmese students have joined the KNU forces in battles against Burmese troops, especially in the Metawar outpost on the bank of Moei River which divides Thailand from Burma.

The border river serves as a key logistics route for the rebels.

Metawa, just opposite Tha Song Yang District, had been under the control of Burmese forces for the past four years, but the Karens seized it in mid-October after a long battle which claimed more than 300 deaths and casualties.

About 80 Burmese students fought with the KNU rebels in the battle.

Dr Thaug Htun said the students and other dissidents had high morale and expectations.

"We are expecting third countries to boost our morale and provide us with weapons and other necessary materials," he said.

Brunei, Malaysia & Singapore

Malaysia

Possible ASEAN Membership for SRV Viewed
BK2112094088 Kuala Lumpur International Service
in English 0800 GMT 21 Dec 88

[Station commentary]

[Text] Vietnam may one day qualify to become a member of the Association of Southeast Asian Nations, ASEAN. That is the perception of Dr Mahathir Mohamed, the Malaysian prime minister.

In a recent review of world political and economic issues which he presented in Singapore, Dr Mahathir emphasized this point. ASEAN members will, of course, accept Vietnam provided it follows a policy of peaceful relations with all member states.

ASEAN has developed into a dynamic regional association of six states. It is especially an association of people and the growing ASEAN identity and consciousness are extending into all aspects of life and thoughts. A presto approach to the issue rather than an overambitious blue print has guided the ASEAN spirit. Someday, perhaps in the distant future, ASEAN may become a common market type of institution. For the present, it concentrates on developing greater economic and cultural aspects and on improving trade among all member countries.

The most special issue in ASEAN external relations is, of course, that of Kampuchea. Vietnam has become isolated from the political mainstream of this region because of its occupation of Kampuchea. That isolation

has pushed the clock back on economic reconstruction and national development. Vietnam can never hope to change the life of its people from its own meager resources. For nearly one decade it has had to depend on the Soviet Union for all manner of assistance. Its agriculture and industry are characterized by [word indistinct] activities. Economic speculation is the most evident element unlike the situation in ASEAN. The phase for industrial development in ASEAN is encouraging. ASEAN members are accepting substantial foreign investment. Vietnam has to follow the same form to invigorate its economy. Even the most orthodox of communist regimes—the Soviet Union and China—have opted for the adoption of some so-called capitalistic methods to improve living standard.

Vietnam is geographically situated in the ASEAN region. Its destiny rests with its relations with its immediate neighbors. There is much to gain from reopening the line of contact with all the ASEAN countries. ASEAN justifies a good market for foodstuffs and consumer goods. Vietnam would be able to obtain much capital and transfer of technology arrangements by deciding to accept a more fraternal and a [word indistinct] association.

It is significant that every year a number of countries that are geographically outside the region apply to become members of ASEAN. They do not qualify for very obvious reasons. At the same time such advanced countries seemed to be added to the list of nations that have a status of dialogue partners with ASEAN.

To quote the Malaysian prime minister again, ideological differences are not as important as they used to be. Hopefully, Malaysia's overture ahead of other states will persuade Vietnam to adopt a more acceptable policy in its own interest and for a regional peace.

Singapore

Government To Amend Internal Security Act
BK2112013088 Singapore THE STRAITS TIMES
in English 20 Dec 88 p 1

[Excerpts] The Internal Security Act [ISA] will be amended next month to leave no question about the Government's right to exercise the powers provided to safeguard Singapore's security.

In a statement yesterday, the Government made it clear that it did not believe that Singapore courts should break with long-established practice and begin reviewing ministerial discretion in security matters.

"If Singapore courts review ministerial discretion in security matters, Singapore judges will in effect become responsible, and answerable, for decisions affecting the security of Singapore," it said

"This was not, and is not, the intention of the legislature as expressed in the ISA."

The amendment, to be passed when the new Parliament sits, will reaffirm that the long-established principles of preventive detention are still the law in Singapore.

The change will also have retrospective effect, covering ISA detention orders made before the proposed amendments are passed.

The government decision to amend the ISA followed remarks made on Dec 8 by a three-judge Court of Appeal which heard the habeas corpus applications of four ISA detainees.

The court released the four detainees on a technicality, but they were promptly redetained.

In their judgment, Chief Justice Wee Chong Jin, Mr Justice L.P. Thean and Mr Justice Chan Sek Keong said it was time to recognise that the principle—that preventive detention under the ISA was a matter solely for the subjective satisfaction of the Executive and therefore not open to judicial review—could no longer be supported.

Citing recent Privy Council decisions on cases in Britain, Malaysia and elsewhere, they said the courts could indeed objectively review the exercise of Executive discretion in the context of preventive detention.

The first signal of the Government's reservations about judicial review came that very day when it announced that Home Affairs and Law Minister Professor S. Jayakumar had asked Attorney-General Tan Boon Teik to study the implications of the court's ruling.

Then on Friday, Trade and Industry Minister Lee Hsien Loong told the British Broadcasting Corporation that the judges' remarks amounted to a clear change of the law.

He said the judges were affected by recent Privy Council decisions on cases in countries unconnected to conditions found in Singapore.

He also said that once the Government had studied the 107-page judgement, it would decide what needed to be done.

Yesterday's statement said the Attorney-General had studied the judgement and advised the Minister for Home Affairs and Law that the judgement had brought about changes to established principles in law governing habeas corpus applications.

"The Court of Appeal has altered the principle, long accepted by the courts in Singapore, that the power to detain persons deemed prejudicial to national security rested solely with the Executive, acting on its subjective judgement as to whether detention was necessary," it said.

"The Court of Appeal has now decided, in the light of cases in the United Kingdom and Commonwealth, that the courts will now examine the grounds on which a detention order is based.

"They will examine not only that the detention order was within the enabling legislative powers but also whether the order is reasonable and based on evidence acceptable to the court. [passage omitted]

The Government said these "settled principles of law" had enabled it to deal effectively with communists, communalists and others who posed a threat to security and stability, and remained essential to the security of Singapore.

It also commented on Privy Council decisions in recent years, which influenced the Court of Appeal here.

The Government said courts in the United Kingdom have adopted "an interventionist role in reviewing the actions of the Executive" because of developments in Britain and elsewhere in the Commonwealth.

Those developments were totally unconnected with Conditions in Singapore, the statement said.

"The Privy Council in London, as Singapore's final appeals court, can overrule the Court of Appeal in Singapore.

"So in its recent judgment, the Court of Appeal stated that in future it will follow these changes in British judicial attitudes.

"The Court of Appeal has thus reversed their previous rulings on detention under the ISA," it said.

Opposition Criticizes Move

BK2012161188 Hong Kong AFP in English 1450 GMT 20 Dec 88

[Text] Singapore, Dec 20 (AFP)—The opposition Workers Party (WP) Tuesday criticised the government's intention to amend the Internal Security Act (ISA) as a move "to entrench its arbitrary power to detain at will whoever and whenever it pleases."

The statement issued by party leader Joshua Jeyaretnam, a lawyer, said the move to amend the ISA, which provides for detention without trial, "mocks at justice" and that "the well established principles of law to secure justice for the individual have no room in Singapore."

The government issued a statement Monday stating that the ISA would be amended to restore the government's discretion on ISA detentions, which previously were never questioned by the courts in habeas corpus proceedings.

The statement said the amendments, which will be introduced at the first sitting of the new parliament in January, "will have retrospective effect."

The changes, the statement said, were necessary in the light of recent judgements by the Privy Council in London which ruled that the courts can inquire into the grounds of detention, unlike in the past.

The statement pointed out that recent Privy Council decisions have altered principles long accepted by the Singapore courts that the executive had sole discretion on national security.

The Singapore Court of Appeal on December 8 ordered the release on "technical grounds" of four people, three women and a man, held under the ISA but pointed out that it would in future look into the grounds of detention alleging threats to national security, which it could not do in the past.

The Judicial Committee of the Privy Council is the ultimate court of appeal in Singapore's legal system.

Cambodia

Heng Samrin Reviews Revolution's Gains

BK1812103588 Phnom Penh Domestic Service in Cambodian 2300 GMT 16 Dec 88

[Station correspondent's 15 December interview with Heng Samrin, general secretary of the KPRP Central Committee and chairman of the PRK Council of State—recorded]

[Text] [Correspondent] Greetings Comrade Chairman: Please tell us the basic victories of the Cambodian revolution in the past 10 years, the difficulties and obstacles, and the new efforts of the Cambodian people in moving forward.

[Heng Samrin] Let me tell you about the basic victories of the Cambodian revolution in the past 10 years. The 10-year period of the Cambodian nation's rebirth since the day the country was liberated on 7 January 1979 is one of trying experiences and successful implementation of revolutionary tasks set by the KPRP. The KPRP has taken over the task of leading the country from the genocidal Pol Pot regime, which caused great destruction in the entire society. The country's material and technical base was wrecked; the social and political structure was turned upside down; the people faced hardship and separation. It was in this situation that we said we started building the country from scratch, from nothing. The nation and society then not only had nothing; it was a very sick society.

Immediately following the country's liberation, the party set out principles and took measures aimed at restoring and reviving the country. The immediate problems to be solved then were to quickly overcome the dark danger of famine and all kinds of diseases which were threatening the lives of millions of people. Along with this, we created conditions for people to return to their original places and

promoted the spirit of production to solve the food problem. To recall the difficulties of that period, a handful of rice and a grain of paddy were invaluable. Only in 1980 that we basically overcame the danger of famine.

Thus, from the 1st day of the revolutionary state authorities, the party decided that the Cambodian land should go through a period of restoring production and overcoming the very serious economic, social, cultural, and moral consequences left over by the genocidal regime to create a basis to advance the revolution. We also envisaged the stubborn and barbarous nature of the Pol Pot clique, which will retaliate against the revolution, and also the ambitions of other reactionaries who will take advantage of our preliminary difficulties in order to regain the power they lost.

Faced with this situation, the party set forth two strategic tasks: defend and build the motherland. In this, the task of defending the country is the first one, along with determining the three goals of the revolution, because these are the factors determining the Cambodian revolution's success in the immediate and in the future. Based on the real conditions in Cambodia, the party has promoted three revolutionary movements of the masses aimed at expanding the combined forces of the masses and people to contribute to carrying out these tasks and to materialize the policies and strategic tasks based on the development of the land.

The party has successively and timely set policies, namely the policy to restore and expand the economy, social sector, and culture; to build the armed forces, the network of state authorities, and mass organizations from central to local levels; to build and strengthen districts, communes, and villages; and to set out policies on peasants, workers, intellectuals, religion, ethnic minorities, private economy, national reconciliation policy, foreign policy, and so on. The implementation of every task goes hand in hand with the attention paid to firmly building the party in political ideology, organization, cadres, and working procedure. This is to ensure that revolutionary organization institutions and ranks of cadres are set up and are strong enough to respond to the revolutionary requirements of the masses and people. The stretch of road full of countless obstacles and difficulties and the circumstances in which the country and the people are still being attacked by the enemies have made whatever our cadres, combatants, and people have achieved over the past 10 years very noble. 1979—Third KPRP Congress followed by the victory over the Pol Pot clique and its lackeys;

1980—Success in overcoming famine and circulation of the Riel bank notes;

1981—Political victory and the Fourth KPRP Congress; elections to set up the National Assembly and draft the state constitution; and success of the first elections;

1982—Development of Cambodia's own revolutionary forces enabling Vietnamese volunteer troops to start withdrawing;

1983—Restoration of agriculture with high yield;

1984—Great victory of the offensive against the enemies along the Cambodian-Thai border; complete destruction in the 1984-85 dry season of enemy positions along the border marking a new turning point on the battlefields; the enemies lost their capability to win against the revolution through military means;

1985—The Fifth KPRP Congress;

1986—Emergence of the movement to build and strengthen revolutionary localities in communes and villages;

1987—On the basis of the revolution's strength in the country, we started negotiations with Samdech Sihanouk and consistently implement the PRK's national reconciliation policy;

1988—The seventh withdrawal of 50,000 Vietnamese volunteer troops—the biggest—and the withdrawal of the Vietnamese volunteer army high command and Vietnamese experts stationed in Cambodia. The Cambodian Revolution's own forces become complete masters in every revolutionary task.

All these great results we have achieved confirm the correctness of our revolutionary path, which is a just one whose aim and aspiration is to serve the interests of the people, the country, and nation. For this reason, the masses and people from all social strata in and outside the country have been actively bringing their contributions. Compared with the beginning, when we started with bare hands, what we have achieved should make us reasonably proud. Life in the country is normal; the people's standard of living, materially and morally, are fairly stable and are developing daily. There are more than 20,000 party members, party branches, state authorities, mass organizations, and over 20,000 cadres, personnel, and workers, excluding the army, the police, and militiamen who are on mission everywhere, from central to local levels in villages and communes.

Factories, enterprises, schools, and hospitals are cooperating with the masses and people in actively implementing every policy and laws and regulations of the party and state, thus ensuring the legitimacy of the PRK state and the rights, freedom, and sovereignty of the Cambodian people over their own destiny and that of the country.

In sum, in exercising the right to be masters of the land, we have held aloft the banner of genuine patriotism and that of proletarian internationalist solidarity and we dare to brave and courageously overcome all difficulties and obstacles in the tasks of defending and building the motherland. We have expanded the spirit of being the masters and that of self-reliance and brought an overall victory, that is the Cambodian Revolution's own forces have been set up and are developing every day to the extent of being able to assume themselves every revolutionary task. Based on these essential achievements, the Cambodian Revolution has reached a new development phase qualitatively, one in which Cambodia's own forces ensure themselves

the country's destiny and a phase in which fighting and negotiating are done simultaneously. This requires lofty unity among our cadres, combatants, and entire people and firm confidence in the party leadership and in our own forces and demands that we double our efforts to achieve the two strategic tasks and the three revolutionary goals set by the party's fifth congress.

In the current situation, we should remember that, although the enemies have been weakened and are disintegrating, their stubbornness, perfidy, and strategic maneuvers remain unchanged. The economy and the people's living standards still remain to be constantly improved. The problem is we face many difficulties in our phase of development and progress, and it is an immense cause for us to struggle in the future. At present, we have unity and the movements in all strata of the people and ethnic minorities in Cambodia, both inside the country and among Cambodian residents abroad. All Cambodians, including those who do not share our political ideas but are opposing the genocidal Pol Pot clique, are together in a great national unity. We are holding aloft the banner of patriotism and love for the people and harbor hatred against the genocidal Pol Pot clique and those who are opposing the Cambodian people's rebirth. We welcome the sympathy and assistance of fraternal countries, friends, and the international community, and pledge to check and eliminate to its root the danger of the return to power of the brutal and barbarous genocidal Pol Pot clique. This is aimed at building a peaceful, independent, democratic, sovereign, neutral, and nonaligned Cambodia.

On the basis of the past revolutionary gains and experiences, relying on the spirit of self-reliance to firmly grasp the country's destiny in the hands of the Cambodian people, and on the basis of the firm solidarity among the Indochinese countries, as well as among the three countries and the Soviet Union, fraternal socialist countries, friendly countries, international organizations, and progressive and peace- and justice-loving people the world over, we firmly believe in the final and definitive victory of the Cambodian Revolution.

[Correspondent] Would you please talk about the future development of the Cambodian people.

[Heng Samrin] Let me tell you that all levels of state revolutionary authorities—from central to local levels—have been firmly built, consolidated, and strengthened on the basis of strengthening localities in the current situation. Following the historic victory on 7 January 1979, the party has successively set forth policies and taken measures to build and strengthen villages and communes by considering these localities as the foundation of the new regime and with a significance on which rests the success of the revolution in the immediate in the future. For this reason, since the resolutions of the third session of the fourth party Central Committee, particularly since the resolutions of the fifth plenum of the fifth party Central Committee, all sectors and levels have paid attention to

turning their efforts toward building and strengthening villages and communes and considered this as a political task at present and in the future.

So far, all organization institutions of the party, state authorities, and the mass organizations have successively been set up and consolidated. The consolidation of communes and villages should be linked to that of districts, provinces, and cities. In sum, our current revolutionary organization in villages and communes, although not yet at the same level, have a fair strength and experience in ensuring leadership to promote and educate the masses and people to actively take part in the three revolutionary movements and has scored great results.

Many villages and communes have undergone real changes in fighting the enemies and have gradually solved the people's daily life. Reliable core persons have been selected. The absolute majority of our masses and people are patriotic and have firm confidence in the leadership of the party and front. They possess loving and friendly sentiments, wholeheartedly assist one another, and actively take part in the tasks of defending and building the country in accordance with the principles and policies of the party and state. What the revolutionary authorities have achieved in the past 10 years, are notably the achievements of our cadres, combatants, and people in villages and communes who are united under the KPRP leadership.

To exercise the right to be masters of the country's destiny and to build a new life in every field, our masses and people are always angry with the genocidal Pol Pot-Ieng Sary-Khieu Samphan clique and other reactionary traitors who are opposing the Cambodian people's rebirth. We dare to courageously and valiantly fight to defend the precious revolutionary gains already achieved and to defend our lives. Hundreds of thousands of our militiamen, trusted and armed by the party and state, are currently fighting with one hand and carrying out production tasks with the other to solve their daily life problems and have actively contributed to the task of ensuring security and social order in their localities. With the firm bastion provided by the masses and people and with the support of district and provincial armed forces, they have ensured safety throughout the country.

It is true that the task of consolidating villages and communes cannot be definitively completed at a given time. Moreover, the requirements of the masses and people and the requirements for developing the nation and society are always on the increase, particularly in the fighting period in this new situation. Our enemies remain stubborn and very brutal. They continue to destroy the country, nation, and people. Therefore, all levels and sectors, particularly authorities in districts which are the immediate superiors of villages and communes, and the authorities in the villages and communes themselves, should continue to pay attention to constantly strengthening all revolutionary organization institutions in villages and communes; selecting core

leading persons; nurturing and managing well militia forces and using them as core for the masses and people to rise and fight to defend villages and communes. Attention should be paid to appropriately solving the immediate needs of the people in their daily life and in production. The people's health, education, leisure, religious beliefs, and so on, should be looked after. This is to strengthen the firm confidence of our masses, people, and peasants in the new regime. We should strive to build villages and communes as firm foundation of the revolution in every circumstance.

[Correspondent] Thank you. On behalf of national and foreign reporters, we would like to thank Comrade Chairman and wish you good health and strength to achieve success in every task assigned by the party and state. Thank you.

Details of Trade Protocol Signed With CSSR
LD1012125588 Prague Domestic Service in Czech
1100 GMT 10 Dec 88

[Text] A Czechoslovak-Cambodia protocol was signed in Phnom Penh today on mutual exchange of goods. Czechoslovakia will export to this Southeast Asian country spare parts for a power station, trucks, diesel components, and other engineering and chemical products. We will import from Cambodia india rubber, soya, tropical timber, pepper, and other goods.

4-Party Paris Meeting Postponed 1 Day
BK2112110288 Hong Kong AFP in English 1056 GMT
21 Dec 88

[Text] Paris, Dec 21 (AFP)—Four-party talks on Cambodia due to open here Wednesday have been postponed for 24 hours because the representative of the Phnom Penh government is unwell, delegates to the talks said.

Hor Nam Hong who represents Prime Minister Hun Sen, suffered a slight heart attack on Tuesday night on the eve of the first meeting of a working group set up last month, his entourage said.

The meeting is scheduled to last three days but could be cut short if the Phnom Penh camp submits no new proposal, according to aides of Prince Norodom Sihanouk, acknowledged leader of the resistance coalition.

Prince Sihanouk, in a speech here on Saturday called Hun Sen a "traitor", a "collaborator" and a "lackey" of the Vietnamese and warned that he would not meet him again unless Phnom Penh accepted his five-point settlement plan for Cambodia.

The plan discussed at a Cambodian "summit" in France last month calls for a set timetable for the withdrawal of Vietnamese troops followed by simultaneous dismantling of the government in Phnom Penh and the government in exile set up by the resistance.

The communist Khmer Rouge, who are partners in the coalition with the prince and the nationalist forces of former Premier Son Sann, did not attend last month's meeting.

Khieu Samphan Supports Sihanouk Proposal
BK2112010088 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT
20 Dec 88

["Interview of Khieu Samphan, DK vice president in charge of foreign affairs, with VONADK and VODK correspondents on his talks with Samdech Norodom Sihanouk in Paris"—read by announcer]

[Text] On the morning of 20 December, Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs, granted an interview to VONADK and VODK correspondents following his trip to see Samdech Norodom Sihanouk in Paris. Our radio would like to present an excerpt of this interview.

[Question] Your Excellency has just returned from Paris to meet with Samdech Norodom Sihanouk. What did you talk about and what were the results?

[Khieu Samphan] On 14 December, I visited Samdech Norodom Sihanouk in Paris. The samdech and I extensively exchanged views on the situation of our Cambodian people's struggle against the Hanoi Vietnamese aggressors now and in the future. The samdech reiterated his five-point position to solve the Cambodian problem politically. I clearly said to the samdech that the DK party fully supports and assists the samdech's five-point position. The DK party has clearly determined that in its activities, whether in the international arena or inside the country, it will always stand firmly on the samdech's five-point position. Furthermore, the party of Democratic Kampuchea has also provided guidance to all the units of the DK National Army on the samdech's five-point position and to disseminate this among the people in the area in which they operate because our DK considers this as a political program of the entire nation with the samdech as head.

I would like to take this opportunity to once again stress that the DK party will strive to do everything for a better unity with all nationalist forces to continue to struggle more vigorously against the Hanoi Vietnamese enemy aggressors until they are forced to accept the reasonable five-point proposal of Samdech Norodom Sihanouk and agreed to withdraw all their aggressor forces from Cambodia according to a clear program under genuine international supervision and control. Only in this way can we really achieve national reconciliation and can Cambodia's genuine independence and peace be restored definitively. This will also be a genuine guarantee for peace, security, and stability in Southeast Asia and the Asia-Pacific region.

DK Denies Plan To Attend Jakarta Meeting

BK2112002488 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 20 Dec 88

["Denial by His Excellency Pich Bunret, DK Permanent Representative to ESCAP"]

[Text] There have been reports in newspapers that His Excellency Pich Bunret, the DK's permanent representative to ESCAP, has said that he has agreed to take part in the informal meeting in Jakarta next February. This is not true. His Excellency Pich Bunret did not say this.

[Dated] DK, 20 December 1988

Indonesia

Ban on Free Access to East Timor To End

BK2112043688 Hong Kong AFP in English 0424 GMT 21 Dec 88

[Text] Jakarta, Dec 21 (AFP)—The Indonesian Government will lift a 12-year ban on free access to the former Portuguese colony of East Timor on January 1, a spokesman said here Wednesday.

"The province will be open as of January 1, 1989," Colonel Hinu Sudiatmo said quoting Coordinating Minister for Political and Security Affairs Sudomo.

Jakarta declared East Timor its 27th province in 1976 following the hasty withdrawal of the Portuguese colonial administration in 1975. The United Nations has yet to recognize Jakarta's sovereignty over East Timor and considers Portugal to be the administering power.

Free travel to and from East Timor by local residents, other Indonesians and foreigners has required special permits issued by the security authorities.

Col Sudiatmo said the decision applied to the whole province and had been made at a meeting Tuesday attended by Armed Forces Commander General Tri Sutrisno, Defence Minister General Benni Murdani, State Secretary Murdiono and Intelligence Chief Yoga Sugama.

Home Minister Rudini, who also took part in the meeting, said last week he hoped the province would be opened as "a Christmas present for the East Timorese people."

"There had never been any problem but because various infrastructure were not yet ready, the region needed special arrangements," Mr Sudomo was quoted by the official ANTARA News Agency as saying after the meeting.

Commenting on the armed resistance of the East Timorese independence movement, Fretilin, Mr Sudomo said there were still "small disturbances" but these were "negligible."

Western diplomatic sources here put Fretilin's strength at no more than 500 people, with perhaps only 100 armed with antiquated weapons.

"If it has been decided to declare it open, it means that the province is secure," Mr Sudomo said.

East Timor's Governor Mario Viegas Carrascalao called for the province to be opened in June, citing the need to boost development.

Indonesian President Suharto visited the province in November with what political observers here said was the largest group of ministers, 11, and officials to take part in a presidential visit.

Australia Welcomes Opening

BK2112091588 Jakarta Domestic Service in Indonesian 0700 GMT 21 Dec 88

[Text] The Australian Government welcomes the Indonesian Government's announcement on the opening of the East Timor Province effective 1 January 1989. The opening of the province will enable East Timor people to travel to other parts of Indonesia without any special procedure.

A spokesman of the Australian Embassy in Jakarta said today the Australian Government hopes that the opening will bring about more prosperity and social progress to the East Timor people, who will in turn give further contributions to the overall development efforts in the country.

The announcement on the opening of East Timor was made by Coordinating Minister for Politics and Security Sudomo after chairing a coordinated meeting of ministers in charge of politics and security in Jakarta yesterday. The announcement, long awaited by East Timor Governor Mario Viegas Carrascalao, will also enable people from other parts of Indonesia to freely enter East Timor.

Laos

Border Committee With Thailand Set; Talks Proposed

BK2112061688 Vientiane Domestic Service in Lao 0500 GMT 21 Dec 88

[Text] Implementing the foreign policy of the party and state to strengthen, promote, and expand the relations of fraternal and neighborly friendship between the peoples of the LPDR and the Kingdom of Thailand and to fruitfully and effectively translate into reality the joint Lao-Thai communique as signed by heads of the governments of the two countries in Vientiane on 25 November 1988, the LPDR Government has issued a decree No 129 dated 19 December 1988 on an appointment of the joint Lao-Thai border committee. The committee comprises:

1. Souban Salitthilat, deputy minister of foreign affairs, as head;

2. Khamphan Simmalavong, ambassador extraordinary and plenipotentiary of the LPDR to the Kingdom of Thailand, as member;
3. Khamveo Sikhotchounlamani, chief of the Border Affairs Department attached to the Interior Ministry, as member;
4. Somchai Thavikham, chief of the General Affairs Department attached to the Office of the Council of Ministers, as member;
5. Boukeut Tangsomsak, staff director of the Foreign Affairs Ministry, as member;
6. Lieutenant Colonel Si Inthavong, assistant chief of the General Staff Department attached to the National Defense Ministry, as member;
7. Bounthong Vongsali, cadre of the International Affairs Organization attached to the Foreign Affairs Ministry, as member;
8. Khamkhong Detchanla, deputy chief of the Survey Department attached to the Office of the Council of Ministers, as member;
9. Khamla Sai-gnachak, consul attached to the Foreign Affairs Ministry, as secretary; and
10. Khamphan Anlavan, cadre attached to the Foreign Affairs Ministry, as secretary.

On the basis of this decree, later, on 20 December 1988, Souban Salitthilat, deputy minister of foreign affairs, summoned Niran Phanuphong, ambassador of the Kingdom of Thailand, to inform him of the appointment of the said joint Lao-Thai Border Committee. He also proposed that the joint border committees of the two countries meet and hold talks in Bangkok from 27-29 December 1988.

In Bangkok, on 21 December 1988, Thongloun Sisoulit, deputy minister of foreign affairs, called on His Excellency Air Chief Marshal Sitthi Sawetsila, foreign affairs minister of the Kingdom of Thailand, to hand over to him a letter from His Excellency Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs of the LPDR, who proposed that the joint border committees of the two countries meet and hold talks at the place and on the dates as mentioned above.

Medical Aid Sent to USSR Earthquake Victims
BK2112093588 Vientiane KPL in English 0900 GMT 21 Dec 88

[Text] Vientiane, December 21 (KPL)—Khambou Sou-nisai, minister of public health and social welfare, yesterday presented to USSR's ambassador to Laos Yuriy Mikheyev 93 cases of medicines made in Laos worth over one million kip.

The medicines will be transmitted to the earthquake victims in the USSR.

Rice Shortage Reported; Japan Grants Aid
BK2112102988 Vientiane KPL in English 0909 GMT 21 Dec 88

[Text] Vientiane, December 21 (KPL)—The Ministry of Agriculture and Forestry has made known that the rice shortage in Laos this year will amount to 380,000 [metric] tons of paddy.

In this connection, it was noted that the Japanese Government has approved granting emergency aid worth 100 million yen to the Lao PDR to cope with the aftermath of drought.

An expert team of the Food and Agriculture Organization, the World Food Programme having visited the Lao southern provinces affected by drought, evaluated that Laos would face rice shortage at a moderate amount and needed urgent relief. Laos has not enough foreign currencies to import rice for domestic consumption.

The expert team has reported the drought situation in Laos to the World Food Programme. The Lao Government has also reported these to international organizations and friendly countries for further relief.

According to the estimation on rice production from 1985 to 1987, Laos turned out only 1.4-1.45 million tons of paddy annually. This year's annual target of rice cultivation has been fixed at 1.6 million tons but its real harvest yielded only one million tons.

Philippines

CIA Allegedly Seeks To Wreck Ties With Soviets
HK2112043988 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 21 Dec 88

[Text] The lower house will invite Ambassador Alejandro Melchor to attend its special session on January 9. Speaker Ramon Mitra said they would ask for Melchor's side of the story on the recent irregularity at the Philippine Embassy in Moscow. However Congressman Jose de Venecia, chairman of the committee on foreign affairs, warned the media against spreading any news that would undermine the visit to the country by Soviet Foreign Minister Eduard Shevardnadze.

Meanwhile, members of the nationalist bloc are saying that the American Central Intelligence Agency is mounting a campaign to wreck relations between the Philippines and the Soviet Union.

Shevardnadze Arrives in Manila 21 December
HK2112074188 Manila Radio Veritas in Tagalog 0700 GMT 21 Dec 88

[Text] The airplane carrying Soviet Foreign Minister Eduard Shevardnadze and his delegation has landed at the Ninoy Aquino International Airport. Shevardnadze was met by Foreign Affairs Secretary Raul Manglapus.

The Soviet official's meeting with Manglapus and President Aquino will not take place until tomorrow. He is also due to leave the country the same day of the meeting. Manglapus has expressed the hope that this visit will pave the way to better trade and friendly relations between Moscow and Manila.

Plans To Discuss Bilateral Relations

HK2112112588 *Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 21 Dec 88*

[From "GMA News" Program]

[Text] Soviet Foreign Minister Eduard Shevardnadze is now in the country. Foreign Affairs Secretary Raul Manglapus met him at the airport. He will hold meetings with President Aquino and other high-ranking officials tomorrow. They will talk about: furthering relations between the Soviet Union and the Philippines, the situation in the Asia-Pacific region, and current international issues. Shevardnadze is the very first high-ranking Soviet official to visit the Philippines since the two countries forged diplomatic relations. It is expected that this visit will bring about development in the country's industrial projects.

[Begin recording Shevardnadze in English in progress] ... and the negotiations with Mr Manglapus. We have a great deal to say to each other on the prospects for our bilateral relations, on the situation in the Asian-Pacific region, and on the current stage of international affairs. [end recording]

Manglapus Previews Talks

BK2112075588 *Manila PNA in English 0727 GMT 21 Dec 88*

[Text] Manila Dec 21 (OANA/PNA)—Soviet Foreign Minister Eduard Shevardnadze, on the second leg of his three-nation tour, arrived in Manila Wednesday [21 December] for a two-day official visit.

Shevardnadze, whose Asian itinerary includes Japan, the Philippines and communist North Korea, was accompanied by a five-man party led by his Deputy Minister Igor Rogachev.

On Thursday, Shevardnadze will hold bilateral talks with Philippine Foreign Affairs Secretary Raul Manglapus on the expansion of Philippines-Soviet relations.

The talks would take the course of an "open discussion," Manglapus earlier said.

He said there is a possibility that the expansion of Philippine trade with Soviet Union will be discussed

"We are in the position to encourage full trade with the Soviet Union," Manglapus said.

Manglapus added that cultural agreement between the two countries may be signed during Shevardnadze's visit. He said an agreement on technological exchanges will be welcomed by the Philippines.

He added that projects that would economically benefit the country would be discussed in his talks with his Soviet counterpart.

The Soviet Union is interested in looking into the proposed Philippine-Soviet project of putting up a geothermal plant in northern Philippine province of Isabela, Manglapus said.

On the status of the United States military bases here vis-a-vis the withdrawal of Soviet facilities at Cam Ranh Bay in Vietnam, Manglapus said "our side does not propose to offer any discussion on the U.S. bases."

Manglapus said, however, that should the topic on the U.S. bases come up on Shevardnadze's initiative, he would express the Philippine position that "we welcome any move that will reduce tensions" in the region, and those that would lead to an emergence of a zone of peace, freedom, and neutrality (ZOPFAN).

President Corazon Aquino will tender a luncheon at the palace on Thursday for the visiting Soviet dignitary.

Shevardnadze leaves Thursday afternoon for North Korea for the third and final leg of his Asian tour.

Issues for Discussion Listed

HK2112110988 *Quezon City Radyong Bayan in Tagalog 1000 GMT 21 Dec 88*

[Text] President Aquino will meet with Soviet Foreign Minister Eduard Shevardnadze who arrived in the country this afternoon for a 2-day official visit. Shevardnadze is the highest-ranking Soviet official to visit the country since the establishment of diplomatic relations between the two countries 12 years ago.

Foreign Affairs Secretary Raul Manglapus said that the Philippines will seek more trade with the Soviet Union.

Tony Valencia for the details:

[Begin recording] Secretary Manglapus is expected to propose a balanced trade system between the Philippines and the Soviet Union to replace the prevailing two-way trade relations considered to be erratic. Through the balanced trade system, the country can expect to earn additional dollars from the export of major products to the Soviet Union. The export of Philippine products to the Soviet Union posted its highest record in 1980 but has since gone down over the years.

Talks between Manglapus and Shevardnadze are expected to boost bilateral trade between the two countries. Trade initiatives will also create more overseas jobs for Philippine workers, notably in industrial complexes in the Soviet Union.

According to the Department of Foreign Affairs, the Philippine mission in the Soviet Union has already received permission for the entry of Filipino workers into the construction market there. The move to seek greater access to the labor market in the East European bloc is in anticipation of weakening and dwindling demand of Middle East countries for local manpower. [end recording]

In a related development, an interagency committee was formed to prepare for Shevardnadze's visit. The committee is headed by Defense Under Secretary Fortunato Abat and National Intelligence Coordinating Agency chief Rodolfo Canieso. It also includes representatives from Congress, the Department of Trade, and the National Economic and Development Authority. Based on the committee's decision, issues to be raised during the Shevardnadze visit will include the purchase of more Philippine products by the Soviet Union, admission of Soviet ships into Philippine shipyards, and the granting of landing rights to the USSR's civilian aircrafts. Secretary of Foreign Affairs Raul Manglapus said that while the Philippines is open to discussion of these issues, each project will be subject to serious study.

U.S. Bases Workers Protest Body Searches
HK2112055188 Manila THE MANILA CHRONICLE
in English 21 Dec 88 p 6

[By staff member Patrick Paez]

[Text] The Federation of Filipino Civilian Employees Association (FFCEA) has protested the so-called "blitzkrieg" raids and body searches on Filipinos working in U.S. military facilities in the country.

In one such incident last week, seven armed agents of the Naval Investigation Service Resident Agency (NISRA) and the Facilities Security Department (FSD) stopped 83 base workers at the naval exchange warehouse in Subic causing panic among women, according to Roberto Flores, president of the 20,000-strong FFCEA.

The workers, who were on their way home, were "herded like cattle" and told to spread-eagle as the raiding team headed by NISRA security officer Thomas Chessman frisked them for pilfered goods, said Flores.

He said no contraband was found on the workers except for a small complimentary bottle of cologne allegedly in the possession of a certain Celso Mendoza, who, he added, was manhandled during the body search.

FFCEA sent a letter of protest to U.S. base commander Admiral Roger L. Rich demanding an immediate investigation of the incident and an end to the "arrogant" manner in which the searches are conducted.

Flores stressed that they are not against searches. "Pero parang magnanakaw ang tingin nila so lahat ng Pilipino." [But they seem to think all Filipinos are thieves.]

He said it was not the first time that base workers were subjected to "Gestapo-like" security measures.

FFCEA, meanwhile, said it has grown impatient over the resumption of the stalled talks on the Bases Labor Agreement (BLA) and has demanded that negotiations for the new collective bargaining agreement (CBA) begin immediately.

The current CBA expires April next year and according to the Labor Code, negotiations for the next agreement may begin three months earlier or by January next year, said Flores.

The base command, however, wants the BLA talks to be concluded first before the CBA negotiations begin, according to Flores.

The resumption of the BLA talks following the decision of the Philippine panel to indefinitely suspend negotiations appears to be remote because of the "hardline" position of the U.S. panel, he said.

The U.S. panel remains opposed to the Philippine demand that the Labor Code and full collective bargaining rights apply to the workers.

The CBA, said Flores, would give the workers a better leverage to pursue their demand that wages be determined through collective bargaining and not through the technical survey conducted by the base command every year.

Flores said he expects the base command to maintain a tough position against the demand but added that a "strike is not remote."

Congress Called 'Rubber Stamp Assembly'
HK2112051588 Manila THE MANILA CHRONICLE
in English 21 Dec 88 pp 1, 8

[By staff members Wilson Bailon, Johanna Son and Tress M. Reyes]

[Text] Sen. Juan Ponce Enrile yesterday said President Aquino was converting Congress, particularly the House of Representatives, into a rubber stamp assembly, similar to the old Batasang Pambansa [National Assembly] during the Marcos years.

Reacting to Mrs Aquino's reported plan to veto certain provisions in the budget bill, Enrile said he believed the President could have her way considering the sentiment of the House.

"What Malacanang wants Malacanang gets insofar as the House of Representatives is concerned," he said.

He added: "If the President pursues her veto plan, she, in effect, converts Congress into a rubber stamp assembly to give legitimacy to what she wants."

Even as he said this, a House conference committee member said the House will not override a possible partial veto by President Aquino.

Rep. Edeel Lagman (Albay), vice chairman of the appropriations committee said the House panel was against the Senate-initiated prohibition on the President's power to restore cuts on the budget imposed by Congress.

A Palace official told newsmen the other day that Mrs Aquino would veto the prohibition as well as another provision creating three special regional funds. The official added that Congress did not have any power to override a partial veto.

Mrs Aquino yesterday told newsmen she had not made any decision on what to do with the appropriations bill. She said her options would depend on the text of the approved measure which Malacanang expects to receive from Congress any day now.

At the Senate, there were differing opinions on whether Congress could override a partial veto by the President.

Senators Rene Saguisag and Aquilino Pimentel Jr. said the legal issue was a "gray area." But Saguisag said Sen. Neptali Gonzales believed Congress could not override a partial veto by the President while Enrile maintained that it could.

Pimentel and Saguisag qualified that the Senate's reaction to a presidential veto would depend on which items Mrs Aquino rejected. They said they would oppose any move by the President to veto the Mindanao, Visayas and interregional development funds.

But Sen. Vicente Paterno said, "There's nothing we can do about it (a line veto)." Instead, he proposed that Congress seek remedy by specifying the Executive's discretion in transferring funds from one department to another and restoring previously-cut items in a budget reform decree.

The decree is contained in a bill, pending in Paterno's economic affairs committee, which would repeal PD [Presidential Decree] 1177, the budget law.

Senators Pimentel and Leticia Shahani said that when Congress deliberates on the 1990 budget, the Speaker and the Senate president should negotiate on the schedule of their respective chamber's discussions to give the Senate at least two months to scrutinize the budget.

Saguisag said, "As a question of power, it can be done, but as a question of prudence, overriding a veto was another matter."

Saguisag and Pimentel said confronting the Executive on a line item might only exacerbate the already-tenuous relationship between Malacanang and Congress.

Pimentel said, "Personally, I would not advise it (overriding her veto). After all, this is her budget. She bears primary responsibility for implementing its projects."

But Lagman said that if the President vetoed the budget bill provisions, "she would only be sustaining what we (House panel members) were saying all along."

He explained that the House opposed the Senate-initiated prohibition on the President's power to restore legislated budget cuts to give her "flexibility" in handling the budget.

Lagman also echoed Malacanang's opinion that Congress cannot override presidential vetoes on line-items.

Saguisag suggested that prior to any discussion of any veto, a "budget summit" be held between Mrs Aquino and the Senate and House leadership to see if "puwedeng maaayos." [a compromise is possible]

Maybe that way, he said, Congress could even file amendatory provisions to the budget bill.

Enrile disagreed with Malacanang's view that the prohibition on the President to restore appropriations cut by Congress was unconstitutional and would lead to an "administrative nightmare."

He said the Executive department has enough contingency, emergency and discretionary funds from where she could get money in times of calamities. "I'm sure the people won't mind her using these funds to build school-buildings and bridges during calamities."

Enrile also rebutted Malacanang's claim that the creation of the three special regional funds was improper and illegal. He stressed that Congress did not increase the budget proposed by Mrs Aquino. He said the special funds were set up through the realignment of the appropriations which, he said, is within Congress' prerogative.

"What is the use of the congressional review over the budget if Congress can't even tinker with the outlay?" he asked.

He added that he doubted whether the Senate can muster a two-thirds vote of all its members to override a presidential veto.

Enrile called the budgetary process a "charade" and a "farce." He said the P [pesos] 395 million cut made by the House was "just a show" to impress the people that the congressmen were doing their duty of scrutinizing the budget.

Aquino May Declare Christmas 'Moratorium'

HK2112031488 Manila Far East Broadcasting Company in English 2300 GMT 20 Dec 88

[Text] President Aquino is set to declare a moratorium or a suspension of military operations against the rebels on Sunday, Christmas Day. The military had earlier said that a moratorium is unilateral, while a cease-fire is subject to negotiations by both sides. It said it disapproves of a cease-fire but is amenable to a moratorium. Yesterday [20 December] Mrs Aquino said she was still awaiting the military's recommendation on a moratorium. She is expected to announce her decision on this today or tomorrow, after consulting her cabinet members during their last meeting for 1988 today.

Official Reads Aquino Statement

HK2112073788 Manila Radio Veritas in Tagalog 0700 GMT 21 Dec 88

[Official statement by President Corazon Aquino on declaration of moratorium during Christmas and New Year holidays—read by Press Secretary Teodoro Benigno at Malacanang Palace—live or recorded, in English]

[Text] Suspension of military offensive operations.

Even if the government pursues the counterinsurgency policy of force to form a national reconstruction, it remains committed to the search for a peaceful resolution of the insurgency problem.

We remain convinced that in the reformation of society and improvement of the economy, there is a congruence of objectives between the government and those rebels who are sincere about helping our people. That is what makes the continuing fratricide so senseless. Civil strife will not accelerate the liberation of our people from the bondage of poverty, but on the contrary, delay it, while it inexorably diminishes us as a nation of peace, by which we have come to be known.

Terrorist elements in the insurgency force our hand to resume hostilities, yet our hearts remain committed to the eventual reconciliation of all Filipinos in the attainment of permanent peace throughout our country.

The search is far from over, yet it befalls us to declare unilaterally a cessation of hostilities. We do this in deference to the season of caring and faith that is upon us, the season of advent, the celebration of the birth of Christ.

I therefore order a suspension of military offensive operations for two 48-hour periods: from midnight of December 23-24, 1988 to midnight of December 25-26, 1988, and again from midnight of December 30-31, 1988 to midnight of January 1-2, 1989.

The suspension herein declared applies only to offensive operations. All military and police forces shall maintain a state of readiness for security action and hot pursuit in the event of any attack or any breach of the peace by any hostile group.

Let this gesture be seen for what it is: an earnest manifestation of our sincere desire for peace throughout our land, not only in this gentle season, but throughout the year that is coming, and hopefully, for all time.

Signed: Corazon Cojuangco Aquino.

Ramos Extends Truce to Quezon

HK2112105588 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 21 Dec 88

[Text] Defense Secretary Fidel Ramos today announced that a suspension of armed hostilities will be extended to Quezon Province to pave the way for the release of six soldiers held captive by the NPA.

Ramos described the move as a unilateral action on the part of the government. Speaking in a news conference at the Philippine Veterans' Medical Center, he said that Solcom [Southern Luzon Command] Commander General Alejandro Galido has been authorized to take the necessary steps for the release of the captive soldiers in Quezon.

The suspension of armed hostilities takes effect right after midnight of 24 December and lasts until midnight of 25 December.

Meanwhile, the six soldiers held hostage by NPA rebels in the province of Quezon will be released this Saturday. This was announced today by Gregorio Rosal, spokesman of the Melito Glor Command. Joey Glorioso for the details:

[Begin recording] Speaking via a VHF radio, Ka [Comrade] Roger said that while the release of the seven [figure as heard] soldiers is certain, the location of the turnover ceremony has not been decided. However, Ka Roger mentioned six towns in Quezon where the hostages may be released. They are: Mauban and Tayabas in the province's first district, Plaridel, Atimonan and Gumaca in the fourth district, and Padre Burgos in the Bondoc Peninsula.

Ka Roger added that the only condition for the release of the hostages was the declaration by the Solcom leadership of a temporary cease-fire in the six towns 24 hours before and 36 hours after the soldiers' release for reasons of security for the rebels.

On the other hand, the families of the hostages were elated to learn about the imminent release of their loved ones and the possibility of a Christmas reunion with them. The families are temporarily housed in the Bayanihan Center run by the Department of Social Welfare and Development in Lucena City.

For Philippine Broadcast Service network news, this is Joey Glorioso reporting from Lucena. [end recording]

CPP-NPA Reported Set To Disrupt Christmas

HK2112045588 *Quezon City Radyo ng Bayan*
in Tagalog 0400 GMT 21 Dec 88

[Text] The police have intensified their campaign against the rebels in Manila. Personnel of the Western Police District have carried out attacks on various places believed to be NPA sanctuaries in Tondo in order to thwart any plans by the Communist Party of the Philippines [CPP] to sow chaos during their anniversary on 26 December. Reports have surfaced that the NPA-CPP will launch Operation Pinta (Paint) throughout Metro Manila, starting Christmas Eve.

Women Said To Head Central Luzon Communists

HK2112054888 *Manila THE MANILA CHRONICLE*
in English 21 Dec 88 p 3

[By staff member Manny Mogato]

[Text] Tarlac, Tarlac—Military authorities here said yesterday a group of women had taken over control of the communist leadership in Central Luzon.

Brig. Gen. Bayani Fabic, Northern Luzon Command (Nolcom) head, said that of the five ranking positions in the communist movement in the region, three are now held by women.

They are Caridad Magpantay-Pascual, chairman of the Central Luzon commission, the highest CPP [Communist Party of the Philippines] body in the region; Feliza Timog, alias "Ka [Comrade] Liza," who heads the provincial party committee codenamed Filipro which covers the entire Bataan Province, and a "Ka Celis" who heads the provincial party committee codenamed Phelps which covers western Pangasinan and the Zambales Province.

Magpantay-Pascual took over from her husband, Francisco, after his arrest last June in Dagupan City. The military, however, suspects that Magpantay-Pascual had really been in control even before her husband's arrest.

Phelps has 502 guerrillas with more than 170 firearms while Filipro has 566 guerrillas with more than 220 firearms.

The other provincial party committees which are headed by men have much fewer fighters. Roberto Tacbad, whose command covers Pampanga, only has 299 men

and 190 firearms while the newest party committee codenamed Gate, which covers the entire Tarlac Province, only has 51 men and 47 firearms.

Brig. Gen. Cesar Nazareno, PC-INP Regional Command 3 chief, said the rebel activities were geared toward strengthening their political front and recruiting men as fewer guerrilla attacks were recorded this year.

Nazareno said the rebels in the region were pushed back by the military's Special Operations Teams (SOT). The rebels were worried about losing many of their supporters and sympathizers to the Government side, he said, thus a counter-SOT buildup was given priority over armed struggle.

Seized CPP documents revealed the rebels will implement starting this year until next year the following plans.

- Infiltrate the Cagug (Citizens Armed Forces Geographical Units) and discredit them by committing human violations;
- Participate in the local elections, thus organizing a strong political struggle in the grass-roots level;
- Intensify confiscation of lands of absentee landlords and distribute them to supporters; and
- Create a cohesive political organization to mount vigorous antigovernment propaganda.

Ilocos Norte Welcomes Vice Governor Abadilla

HK2112081588 *Manila PHILIPPINE DAILY INQUIRER* in English 21 Dec 88 p 7

[By Jorge Ramos]

[Text] Laoag City—Thousands of well-wishers flocked to the Ilocos Norte provincial capitol here to welcome Vice Governor Rolando Abadilla upon his arrival Saturday after he was acquitted by a military court of mutiny and sedition. Gov Rodolfo Farinas, Rep Mariano Nalupta Jr and members of the Ilocos Norte Mayor's League and provincial board members held a brief conference at the capitol to discuss the economic and insurgency situation in the province. Farinas said, "I welcome the arrival of Vice Governor Abadilla in Ilocos Norte because he is a great help in the solution of our economic and peace and order problems especially on insurgency. I also thank President Aquino for releasing my vice governor because she shows the true spirit of reconciliation."

Abadilla, a former lieutenant colonel in the Constabulary and chief of the dreaded Military Intelligence and Security Group (MISG) under former President Marcos, assured the people of Ilocos Norte that he will serve the province the best way he can.

"Now is the time to help and assist each other to improve our economy. We should concentrate more on projects that will generate more jobs for our people," he said. Abadilla thanked all his supporters for showing their concern.

Abadilla ran and won as vice governor in the local elections early this year while under detention for his alleged involvement in several coup attempts, including the takeover of Marcos loyalist soldiers of the television station GMA Channel 7.

He was acquitted of the charges last week and was ordered released by armed forces Chief Gen Renato de Villa. President Aquino said later she authorized his release.

Montano Comments on Police Budget Allocation
HK2112024388 Manila Far East Broadcasting Company in English 2300 GMT 20 Dec 88

[Text] Major General Ramon Montano has expressed optimism that the recently approved more-than-a-billion peso budget for police equipment will improve constabulary and police performance in the fight against crime and the insurgency. At a press conference, Montano said that while the constabulary will have a lesser allocation, it still will be enough to sustain the anti-insurgency and anticrime campaigns. According to the PC chief, a total of P [pesos] 533 million has been appropriated for the operational requirements of the police next year. He added that with the amount specifically allotted for the acquisition of police equipment, this will mean more jeeps for the police.

Thailand

Chatchai Gives Aide-Memoire to U.S. Envoy
BK2112024588 Bangkok THE NATION in English 21 Dec 88 pp 1, 2

[Text] Prime Minister Chatchai Chunhawan handed an aide memoire to the U.S. ambassador to Thailand last night which reiterated Thailand's stand on the computer software protection issue and urged Washington to remove all protectionist measures in place on Thai commodities, informed sources told THE NATION.

In the three-page aide memoire, submitted to Ambassador Daniel O'Donohue, the prime minister insisted that protection of U.S. computer software should be achieved with due respect to the Thai legislative process and without outside interference.

"As an elected prime minister, how can I go against the wishes of the Thai people?" informed sources quoted Chatchai as telling Ambassador O'Donohue during dinner last night.

Chatchai invited the U.S. envoy to his home on Soi Ratchakru after the latter asked for a meeting with him on Monday [19 December].

Also present was Chatchai's son-in-law, Kon Thappharangsi, PM's Office Minister. O'Donohue was accompanied by Joseph Winder, the embassy's minister-counsellor.

The dinner last over three hours and reporters remained outside throughout it.

Chatchai's decision to deliver the aide memoire was aimed at reaffirming Thailand's commitment to provide protection to U.S. intellectual property rights. It also served as a reminder to the U.S. government of what Thailand has done in the past to fulfill this objective.

O'Donohue is expected to go to Washington for routine consultations with the U.S. administration in the near future, the U.S. Embassy spokesman said earlier this week.

Sources said the prime minister also insisted that Thai-U.S. trade talks should move away from amending Thai legislation and discuss more substantive trade issues.

Kon, who heads the Board of Investment, told O'Donohue that Thailand would welcome U.S. investment in hi-tech fields, including telecommunication and the National Petrochemical Corp Ltd, in the future, according to the sources.

The sources quoted Chatchai as stressing that Thailand has made progress in according protection to U.S. intellectual property.

He also said Thailand has reduced import duties on U.S. agricultural products in an effort to maintain the tariff privileges granted by the U.S. under the Generalized System of Preferences (GSP). On Jan 1, 1989, the Thai government will cut the tariff rates of wheat (Baht 1/kilogramme), apples (10 percent tariff reduction) and isolated soy protein (five per cent), the sources said.

During last night's discussion, the sources said, Chatchai urged Washington to decrease countervailing duties and anti-dumping measures, as well as rice export subsidies. The prime minister also asked the U.S. to cancel the overall quota cap for Thai textile exports, according to the sources.

Chatchai was quoted as saying that Thailand will stand firm on its decision on drug patents.

Speculation is high that Washington will announce partial cuts in Thailand's GSP quota soon, after the recent deadlock in Thai-U.S. trade talks.

Editorial on Impact of U.S. Trade Bill
BK2112103888 Bangkok NAEON in Thai 19 Dec 88 p 5

[Editorial: "The Trade Bill: The Impact on Thailand"]

[Text] The trade bill, or the Omnibus Trade and Competitiveness Act of 1988 in full, is a new U.S. trade bill that is designed to solve the U.S. trade deficit and increase the competitiveness of U.S. products in the world market. It includes a wide scope of measures to protect U.S. interests while at the same time gives

excessive power to the U.S. President and U.S. special trade representatives in conducting trade talks and concluding agreements with other countries so that they can make their decision based on the advantage or disadvantage enjoyed by the United States.

Thailand's trade practice and policy implementation may be an excuse for the United States to adopt retaliation against Thai imports to that country. The setting up of export targets, the granting of promotional privileges from the Board of Investment, and import control on some products or raw materials to protect local industries or agricultural products, as well as child labor abuse and the violations of internationally excepted labor rights, are all elements which the United States may use as an excuse at any time if it wants to adopt protectionist measures against Thailand. This may force Thailand to decide whether or not to change or scrap these measures in exchange for an open U. S. market. If Thailand does not respond to the U.S. demand, it may face greater protectionism in foreign markets. During the period the Thai economic structure is still not strong enough and is still highly dependent on exports, it may cause Thai economic development to stagnate or to expand at a lower rate.

It is difficult for Thailand to avoid being affected by the Trade Bill because the United States is Thailand's major export market. However, from another angle, the impact of the trade bill should be to force Thailand to find ways to adjust its economic development structure, with a tendency to greater self-reliance. In addition, it will also focus greater attention on labor security affairs, on improvements in product quality for greater competitiveness, as well as on finding new markets to reduce the degree of dependence on the U.S. market. All these measures will help reduce the possible impact on the national economic development in the future.

Column Dispels Fear on Drug Patent Protection

BK2012134588 Bangkok NAEON in Thai
19 Dec 88 p 5

[Column by Witthaya Tanthasut: "No Friends in the Trade"]

[Text] A person from the pharmaceutical manufacturing circle said that the pharmaceutical patent is not an important matter. If Thailand agrees to register pharmaceutical patents for the United States, there will no impact at all.

He explained that most of the pharmaceutical factories in the country buy 99.99 percent of their chemicals, which are important components for producing medicine, from foreign countries. These chemicals cannot be produced in Thailand, and the selling countries also charge patent fees for their products.

Pharmaceutical factories in Thailand are only final assemblers. The only raw materials we have are menthol, sugar, and flour. So, the Thai factories feel indifference over the U.S. request for Thailand to provide pharmaceutical patent protection.

"We have already paid. We will have to stop producing if they do not sell the chemicals. Nowadays, we import a lot of medicinal products from five countries—the United States, Italy, China, West Germany, and Japan. Most of the medicines whose chemicals we have to buy from other countries are those that are beyond the patent protection period. The issue concerning the U.S. pharmaceutical patent is not a major issue. The most important thing that we want the government to do is not to allow foreign countries to deceive the BOI [Board of Investment] into setting up pharmaceutical factories. For example, Japan asked for tax privileges and other conveniences for setting up a factory to produce kanamycin. However, Japan only sent materials to assemble the medicine in Thailand. It does not conduct any research on using raw materials in Thailand."

The pharmaceutical manufacturer stressed that the BOI's promotional approval is the reason why foreign pharmaceutical companies monopolize the sale of medicine products in the country. Other companies will not be able to set up factories to compete with them. The price of medicine products are set by the merchants only.

There is very little research being done on pharmaceutical chemicals in Thailand. Even the research on aspirin or parasetamol, which Thai people consume a lot of, still has not been successful. The reasons for this failure in research is because there is no petrochemical separation plant in Thailand.

To sum up, it is not a rational excuse to reject protection for the U.S. pharmaceutical patent because of the fear that local pharmaceutical factories will be affected. There is a question on how much the Thai people will stand to lose on the computer software issue.

The real problem in computer software is the programs—for which we have already paid for the copyright fee, in practice.

There are only a few people who like to pirate the programs, and the United States has exempted a copyright fee for using the programs for study and research.

The figure on the loss resulting from computer program pirating cannot be assessed because of two reasons—1. There is only a little pirating, and 2. The government cannot collect actual information from the tape and video sale business.

Technological development in this field in Thailand is very backward. As a result, it is unreasonable for us to attach importance to the prestige and to allow a loss of GSP [generalized system of preferences] benefits which totaled about 14,000 million baht this year.

It would be wishful thinking to hope that the United States would consider the good relations we have with them and find ways to help Thailand. It would be wise for the government not to act in an excessively disappointed manner.

There is no true love and sincerity in the trade business.

Textile Sector Prepared for U.S. 'Harassment'
BK2112020988 Bangkok BANGKOK POST in English
21 Dec 88 pp 17, 32

[Text] The Thai public and private sectors are prepared for "harassment" over textile and garment exports to the United States next year, the head of the Foreign Trade Department [FTD] said yesterday.

At the same time, the Thai Government will ask the Multi-Fibre Arrangement's Textile Surveillance Body (TSB) to mediate over Washington's "unjustifiable" attempt to impose quotas on Thai baggage products made of synthetic fibre and other products.

FTD Director-General Oranut Osathanon, who returned from Washington on Monday night, said the Commerce Ministry and all five textile-related associations were ready to cope with moves by the U.S. next year.

Her comments refer to an anticipated wave of attempts by Washington to seek consultation with the Thai side over textile exports to American markets and to impose quotas on Thai products.

Mrs Oranut headed the Thai delegation in talks with U.S. counterparts in Washington to renew the textile agreement. The talks failed to result in an agreement because the Thai side rejected U.S. proposals, particularly the imposition of "caps" or group limits on a number of textile products.

The failure of the talks will result in the two countries reverting to Multi-Fibre Arrangement (MFA) regulations which allow either to call talks if Thai exports substantially hurt American domestic industry. The present textile agreement will expire at the end of this month.

Mrs Oranut said she expected the U.S. to seek dialogue frequently with Thailand on textiles and garments, particularly ready-made apparel, as stipulated under the MFA.

She said the U.S. threatened to call talks on 30 garment categories from January 1, next year, reasoning that the volume of exports this year had already affected domestic markets.

"We are prepared to unilaterally control our exports and are ready to comply with MFA regulations," Mrs Oranut noted. She added, however, that consultations would be on a case-by-case basis and not on all categories as a whole.

U.S. authorities warned during the third and latest round of talks in Washington that the U.S. would strictly adhere to MFA regulations and would use these regulations aggressively but responsibly to protect the interests of U.S. industry.

Mrs Oranut said although the U.S. showed flexibility in the latest talks, the proposals were still unacceptable to the Thai side, particularly the group limit proposal.

The FTD chief was hopeful, however, that anticipated consultations called by the U.S. might lead to a new agreement if the two sides agree that frequent consultations were of no benefit to either party.

She also disclosed that prior to the Washington meeting, five textile-related associations submitted a letter to Commerce Minister Subin Pinkhayan supporting the ministry's plan to control textile exports to the U.S. in case no agreement was reached by the two countries.

The Commerce Ministry will soon ask the Foreign Ministry to request the Geneva-based TSB to decide on Washington's move in imposing quotas on categories 870 and 670L of luggage made of soil blends, non-cotton vegetable fibre and synthetic fibre.

She said the request followed the stalemated talks between the two parties. The U.S. earlier this year called talks on these two categories, claiming that the exports were adversely affecting U.S. industry.

However, the U.S. reportedly could not produce concrete figures to prove the claim when questioned by the Thai side. "In fact, Cabinet decided to seek TSB mediation on the issue even before the latest round of talks in Washington, but waited for the outcome of the meeting," she noted.

On the issue of steel pipe exports to the U.S., Mrs Oranut admitted both parties also failed to reach agreement as "we could not agree on good terms".

She said doubts lingered over the scope and extent of the coverage and benefits of a voluntary restraint agreement (VRA) on steel pipes as sought by the Thai side.

The issue involves whether the VRA should cover steel pipes and tubes or all steel products, whether it would provide a shield from future trade actions such as those under Section 301 of the Trade Act, whether it would provide immunity against unfair trade cases such as circumvention, anti-dumping and countervailing duties.

Both sides therefore decided to call off the meeting until the next U.S. administration assumes office next month.

List of Banned Exports to Laos Reduced

*BK2112013088 Bangkok BANGKOK POST in English
21 Dec 88 pp 1, 3*

[Text] Thailand yesterday announced a 50 percent cut in the list of banned exports to Laos in a move to improve relations and promote trade with the communist neighbour.

The decision, made at the Cabinet meeting, coincided with a new flurry of diplomatic activity kicked off by the arrival yesterday of a senior Laotian delegation to prepare for talks between the two countries.

Acting Supreme Commander Gen Chawalit Yongchaiyuth is reportedly planning another trip to Vientiane next month, hot on the heels of the visit by a senior Laotian delegation led by Deputy Foreign Minister Souban Salitthilat on December 27-29.

The Cabinet decision yesterday would cut the list of banned exports to Laos from 61 items to 29, at the recommendation of the National Security Council (NSC), to reflect improvement in relations since Prime Minister Chatchai Chunhawan visited the Laotian capital in late November.

Thai-Laos relations have been strained since the communist takeover in 1975.

The list of exports classified as "strategic" goods and banned from export to Laos since 1981 would now exclude heavy machinery and engines, construction tractors and bulldozers, cranes, motorboats and bicycles, steel and aluminium construction materials, asphalt, gunny bags and medicine.

Items still banned from export include combat equipment, chemicals which can be used in heroin processing, telecommunications gear, heavy trucks, planes, helicopters and parts, and navigation equipment.

Besides reducing the list of banned exports, the Cabinet also approved the NSC's recommendation to open two more trade transit checkpoints on the border—Chiang Khong in Chiang Rai and Muang District in Nakhon Phanom.

Also, the Government agreed to a Laotian request to open a border pass at Chong Mek in Ubon Ratchathani for two and a half years to allow the transit of building materials to be used in the construction of Se Set Dam in Laos.

The government-owned Express Transport Organisation will be authorised as sole transporter of all construction materials into Laos through the checkpoint.

The sources said the NSC had recommended the cut in the list of strategic goods to benefit Thailand economically and politically.

An observer said that apart from showing Thai sincerity in Thai-Lao talks, the cut would encourage Laotian economic dependence on the Kingdom in the long-run.

However, Thailand could still revoke the easing of the ban, delay the delivery of the exports or close the border checkpoints again if necessary, the observer said.

He said the Thai move could improve the bargaining power of Thai negotiators, including Gen Chawalit in his upcoming visit to Laos, when Thailand asks for favours from Laos.

The observers said that most of the items to be exempt from the export ban had little military importance and were unlikely to cause problems to Thailand in the future.

Foreign Ministry Spokesman Chet Sucharitkun said the Laotian delegation, led by Deputy Foreign Minister Thongloun Sisoulit, is to meet with Foreign Minister Sitthi Sawetsila this morning to present Laotian Foreign Minister Phoun Sipaseut's reply to the Thai request for formal talks on relations.

ACM [Air Chief Marshal] Sitthi's deputy Praphat Limpaphan would head the Thai delegation on the joint border committee to discuss border-related problems, but Laos has yet to name its delegation to the committee.

Sitthi on Meeting With Laos' Thongloun Sisoulit

*BK2112071488 Bangkok Domestic Service in Thai
0530 GMT 21 Dec 88*

[Text] Foreign Minister Air Chief Marshal Sitthi Sawetsila met LPDR Deputy Foreign Minister Thongloun Sisoulit at the Foreign Ministry this morning. He told newsmen that the Lao deputy foreign minister consulted with him about holding a meeting of the Thai-Lao border committee to settle border disputes between the two countries. Laos has already set up its committee, with Deputy Foreign Minister Souban Salitthilat as chairman, and with nine members. The Thai committee has 12 members, with Deputy Foreign Minister 2d Lieutenant Praphat Limpaphan as chairman.

Air Chief Marshal Sitthi said that the Lao deputy foreign minister also gave him a message from Lao Foreign Minister Phoun Sipaseut answering a letter from Thailand inviting Laos to attend a meeting of the Joint Thai-Lao border committee in Bangkok on 27-29 December. The Lao deputy foreign minister asked who should be made chairman of the national-level border committee. Thailand suggested that he should be a person of the rank of deputy prime minister or interior minister, and that the appointment should be made at the earliest so that a meeting could be held. Thailand wants to solve problems with Laos based on the joint communique signed during the recent visit to Laos by the Thai prime minister.

During the meeting, Thailand also reported to Laos that it has opened two more border checkpoints—in Chiang Khong and Nakhon Phanom, and will consider opening another border pass at Chong Mek later on. Thailand has also agreed to cut the list of strategic goods banned for exports to Laos to only 29 items in a gesture of goodwill to Laos.

Social Action Party 'Deplores' Foreign Policy
BK1712044088 Bangkok THE NATION in English
17 Dec 88 p 2

[Text] A Social Action Party [SAP] member, saying that he was speaking for the party, yesterday deplored reports that Prime Minister Chatchai Chunhawan is revising the country's foreign policy and the Foreign Ministry's role.

It was SAP's first public reaction to the trouble-plagued relationship between its leader Foreign Minister Sitthi Sawetsila and Chatchai.

SAP spokesman Prasop Butsarakham told a press conference at Parliament that "it's not right" to change foreign policy without the consent of Parliament.

"The government declared the policy before Parliament, so when changes are proposed, they should be discussed in Parliament," the Udon Thani MP said.

It was reported on Wednesday [14 December] that Chatchai wanted the private sector to play a bigger role in helping promote trade ties between Thailand and its neighbors, particularly Laos, Vietnam, Kampuchea and Burma. The private sector would be supported by friendly military relations, the report said.

Sitthi, who was said to be upset by the report, was quoted as saying that he had known nothing about the changes and that he should be informed if the report was true.

Prasop said a new foreign policy without parliamentary approval will not be "trustworthy".

"Moreover, to change the policy after only 4 months shows that it was slovenly drafted," he added.

The relationship between Chatchai and Sitthi has been marred by several incidents and what the prime minister has called "misunderstandings".

Early last month, Chatchai's adviser Sukhumphan Boriphat said the prime minister would assume a more active role in foreign affairs instead of leaving them to the Foreign Ministry. Chatchai reportedly apologized to Sitthi and promised no such comments would be further made by his aides.

Chatchai also denied reports that he ordered the cancellation of Deputy Foreign Minister Praphat Limpaphan's planned visit to Burma last month.

Editorial Questions Coordination of Burma Policy
BK1612023588 Bangkok THE NATION in English
16 Dec 88 p 8

[Editorial: "Questions Raised Over the Rangoon Visit"]

[Text] Acting Supreme Commander Gen Chawalit Yongchaiyut's trip to Rangoon on Wednesday has raised more questions than answers. The most obvious and closer [to] home is perhaps: Who 's coordinating the foreign policy formulation process in this country? Nobody seems in charge—but leading personalities seem to be bent on doing things their own ways with divergent objectives.

The Thai army chief's Rangoon visit, quite expectedly, turned into a PR event for his Burmese "brother", Gen Saw Maung, and his military regime. Nearly 50 reporters of the Thai and international mass media who accompanied Gen Chawalit were taken on a carefully guided tour of the Burmese capital so that they could see freshly-painted public buildings and clean streets. No scars of the recent popular uprising. No traces of dissent. The world is shown that Saw Maung regime is in complete control, at least of Rangoon.

According to one report, Prime Minister Chatchai Chunhawan thought Gen Chawalit was to go in his capacity as chairman of the Thai-Burmese Policy Implementation Committee and that his talks with Gen Saw Maung would be on technical matters, chiefly concerning security problems along the Thai-Burmese border. He had reportedly asked Gen Chawalit to stress that the Thai government is not arming dissident students and activists from Burma or assisting the ethnic minorities along the border in their multi-decade armed rebellion against Rangoon.

However, Gen Saw Maung described Gen Chawalit in his luncheon speech as "the first dignitary" and a dignitary "who has not only deep understanding but also sound friendship" with Burma. And Gen Chawalit's team was officially referred to as the "Thai goodwill delegation".

Gen Chawalit's visit practically conferred *de facto* Thai recognition on the legitimacy of Gen Saw Maung's regime—at a time when most other countries have refrained from making such a gesture. After all, the world community still abhors the massacres of mostly unarmed pro-democracy demonstrators in Burma by the Burmese military during the recent nationwide popular uprising. An implicit international economic boycott against the Saw Maung regime has been in effect and the world community hopes this will put pressure on the Burmese military to stop violating human rights and to hold free and fair general elections as soon as possible.

Gen Chawalit may genuinely believe that, because of his good personal ties with Gen Saw Maung, he could persuade Gen Saw Maung to seriously embark on democratic reforms, refrain from stifling dissent with violence, and welcome ethnic minority rebels in political participation like "first-class citizens."

Gen Saw Maung did reiterate the offer of a general amnesty to all students and activists now enjoying temporary sanctuary in Thailand, as well as the promise to hold general elections when "there is law and order". Gen Saw Maung even accepted for further consideration Gen Chawalit's advice on setting a definite time for the general elections in order to show the rest of the world that Rangoon is serious about this promise.

Publicly, both Gen Chawalit and Gen Saw Maung seemed pleased with the outcome of this event. But neither the Burmese students and activists, nor the ethnic minorities rebels, are enthusiastic about Gen Saw Maung's promises. Much less do they believe Gen Chawalit's good offices can make any difference in Burma.

How Gen Chawalit can ensure Rangoon's honest compliance with the pledge to pardon the students and activists or to treat the ethnic minorities as "first-class citizens" is not clear—since the army chief emphatically disclaimed any intention of interfering in the domestic affairs of Burma. Gen Chawalit's position is to wait and see if Gen Saw Maung will keep his words.

While it is unclear what Gen Chawalit achieved in Rangoon, it is clear that Prime Minister Chatchai and Foreign Minister Sitthi Sawetsila will have a lot of explaining to do to clarify the Thai government's stand toward Gen Saw Maung and his military government. But since they did not seem to have much direct input on this trip, they may not have much to say about it. And this is precisely what is wrong with Thai foreign policy.

The best that these two government leaders can do now is to get together with Gen Chawalit and find out exactly what happened so that they will be able to explain things with one voice.

Chawalit Discusses Shift in CPT Strategy
BK1612044988 Bangkok THE NATION in English
16 Dec 88 p 4

[Text] Army Commander-in-Chief Gen Chawalit Yongchaiyut said yesterday that the Communist Party of Thailand (CPT) has shifted its strategy from armed struggle to urban uprising.

He said the outlawed party's strategy is to create conditions for a military coup d'etat then it would instigate the people to join in a popular uprising against those in power.

He said the CPT is in the process of creating fronts in the cities to support its activities.

Chawalit, who is credited for having successfully crushed the CPT militarily with the implementation of the anti-communist policy No. 66/23, was speaking at the opening of a seminar for officials of the Internal Security Operation Command.

He said fighting communism "is not a complicated matter as long as the people get justice from the government and that the government is for the people."

Vietnam

Ministry Statement on Gorbachev UN Speech
BK2012154988 Hanoi Domestic Service in Vietnamese
1430 GMT 20 Dec 88

[Text] Comrade Gorbachev, CPSU Central Committee general secretary and chairman of the Soviet Supreme Presidium, recently delivered an important speech at the 43d UN General Assembly, covering pressing international issues. Particularly, the Soviet Union announced its plan to reduce 500,000 troops and a considerable number of ordinary weapons in 1989-90, and to withdraw 50,000 troops and 5,000 tanks from the GDR, Czechoslovakia, and Hungary, and a sizeable number of troops from the MPR.

On the occasion of this important event, our Foreign Ministry issued a statement clearly specifying:

This is an important decision that manifests the very high determination of the Soviet party and state to implement the lines of the 27th CPSU Congress with a view to consolidating international peace and security. Following the signing and ratification of the IMF treaty, this greatly significant decision of the Soviet Union will vigorously promote the process of talks on disarmament in Europe and will create a favorable atmosphere for accelerating the process of easing tension and of disarmament in Asia and the Pacific.

The Vietnamese Government and people highly appraise and totally support the new Soviet peace initiatives and are firmly convinced that along with the efforts of all nations and countries, the implementation of this initiative will vigorously promote the trend of dialogue and cooperation in peaceful coexistence in the world.

Troops Returning From PRK Welcomed
BK2112010488 Hanoi VNA in English 1511 GMT
20 Dec 88

[Text] Hanoi VNA Dec 20—A grand meeting was held this morning in the provincial town of Tay Ninh, northwest of Ho Chi Minh City on the border with Kampuchea, to welcome units of Divisions 5 and 309 of the volunteer army back from Kampuchea in the current 7th withdrawal since 1982.

Representatives of the administration and armed forces of Long An, Song Be Provinces, the special zone of Vung Tau-Con Dao, Ho Chi Minh City and more than 6,000 local people were present at the welcome ceremony. Addressing the rally, Senior Lieutenant-General Nguyen The Bung, Commander of the 7th Military Zone, praised the repatriated units' achievements in implementing their internationalist duty, their courageous fight beside the Kampuchean Armed Forces to defeat all the dark plots of the enemy.

A similar rally was held in the town of An Giang to the south to welcome 1,300 volunteers of Division 330, Regiment 226 of the Armour Force, and some other units together with the Command of Division 979 back from Kampuchea.

Reportage on Progress of National Assembly

Lu Minh Chau Reports on Banking

*BK2012145788 Hanoi Domestic Service in Vietnamese
2300 GMT 18 Dec 88*

[Text] As we have already reported, on the afternoon of 17 December during their 5th day of work, members of the Council of Ministers answered questions raised by the National Assembly deputies.

You are invited to listen to the answers provided by Comrade Lu Minh Chau, director general of the state bank, as follows:

[Begin recording] Regarding the activities of the banking sector, especially the shifting to business transactions, capital, and money, which are issues of great concern for our sector and for the entire country at present, we have already submitted an official report to the National Assembly's Budget, Finance, and Planning Committee.

Here, acting in line with the suggestions of the National Assembly chairman, we limit our answers to the questions raised by the National Assembly deputies. Regarding those issues that were not put into questions but were debated by the National Assembly deputies during their group discussions, we would like to present just a number of brief viewpoints to the National Assembly. The reason is because we do not have much time left.

So far, we have received two questions raised by the National Assembly deputies from Hanoi and Thanh Hoa.

The first question is as follows: State agencies, military organizations included, must pay fees of 15-20 percent for cashing checks at the bank. It is recommended that the director general of the Vietnam State Bank answer before the National Assembly if this is a bank regulation or not. If the answer is yes, then what is the basis for this regulation? If this is only a regulation of local branches, then the next question is: Was the regulation approved by the director general of the state bank? Do you think that we should take action against this move?

The second question goes like this: Why do we have to raise the issue of forcing establishments that acquire foreign currency through their export operations to sell part of their foreign currency to the bank at business prices, instead of having the bank grant loans to the establishments concerned at reasonable interest rates or to help them import goods that they must purchase with foreign currency, thus eliminating the grip of the middlemen who sell foreign currency?

As for the first question raised by the National Assembly deputies from Hanoi, we would like to formally report to the National Assembly that in our state bank, there is no regulation requiring a certain unit to pay a percentage of the amount of cash it withdraws from the bank, nor is there any regulation demanding payment of commission for any amount of a loan, except for its interest. In fact, this practice does exist in certain localities, which is usually called a manifestation of negativism. However, we hold that this is an act of corruption.

Therefore, we are very strict with this matter in our sector. However, as Comrade Tran Quyet said the other day, even with the help of inspection, control, and education or the adoption of certain measures, we are still not able to stop this practice. Every year we have discovered and taken disciplinary action against such wrongdoers, and then dismissed them from our sector after conducting an investigation.

Regarding the second question, although it has not been clearly stated here by you comrades, we think that perhaps you would like to know about the buying and selling of foreign currency at the bank. The policy on buying and selling foreign currency through the bank has been pointed out in the party's resolution as well as in certain decisions of the Council of Ministers. Meanwhile, guidance for this task has also been provided by our sector. We maintain that buying and selling foreign currency through the bank is absolutely correct and this is the same method that has been applied by every country. However, it is the correct rate of exchange which decides whether or not foreign currency can be bought.

It can be said that after nearly 1 year of experimenting on the task of shifting to business in compliance with the party's resolution, as of 1 July we have shifted the entire operation of the bank to business. This resulted in the establishment of additional banks—the Agricultural Development Bank and the Industrial and Commercial Bank. Moreover, we will open shareholding banks and then another credit bank. After an experimental period, we plan to open a rural bank with the participation of a number of credit cooperatives in the countryside. Meanwhile, we may even open a privately-owned type of shareholding bank that consists of credit cooperatives in the city.

That is our direction, which in the recent past clearly showed that it could help amass a tremendous amount of capital. Thanks to this, in its 1988 operations, it seems as if our bank has not had to use a single dong of its own.

but has used capital amassed from various units and savings deposits to extend credit. As we have already notified the party Central Committee Political Bureau and the Council of Ministers, in 1989 we would not request that additional capital be distributed to our bank, but would amass it by ourselves.

Based on the guidance provided for a number of mechanisms and policies in this year's plan to be submitted to the National Assembly and on some measures concerning budget and a number of new systems for various sectors to shift to business, and with more decisive guidance from the Council of Ministers and all sectors and localities, we believe that new changes can be and must effected in 1989. [end recording]

Group Debates Socioeconomic Issues

*BK2012141088 Hanoi Domestic Service in Vietnamese
2300 GMT 19 Dec 88*

[Report on 19 December small group discussions of National Assembly deputies, by station correspondent Kim Cuc]

[Summary] "Yesterday, on 19 December, the National Assembly deputies worked in groups to continually discuss socioeconomic issues as well as the preparations for today's debate in the conference hall". They focused mainly on discussing ways to deal with the socioeconomic, security, national defense, and legal issues.

"Many deputies suggested measures to increase revenues and reduce expenses for the budget, thoroughly discussing the question of wages for cadres, workers, civil servants, armed forces' members, and recipients of social welfare benefits." While many other deputies concentrated on debating the question of wages, other still held differing views on the wage projects that the vice minister of labor, social welfare and war invalids presented on the fifth day of work.

The Lai Chau provincial deputies concurred with the issues raised in the Council of Ministers' report on the 1989 socioeconomic development program as realistic and fundamental.

During the debate by the Minh Hai provincial deputies, the deputies focused their discussion on the report on the current social security situation which has resulted from the weak economic situation. Deputy Pham Van Kiet of Minh Hai Province said:

[Begin Pham Van Kiet recording] "Here is my attitude. We must consider, above all, the economic reason. I disagree with some comrades who have held that the economic factor is not the main reason. If we do not resolve the economic problems, we should not talk about dealing with other problems. As a result, we should give priority to the economy and promptly renovate the system and policy, enabling our economy to surge forward thus giving us the conditions for resolving other

problems. We must therefore strive to concentrate our efforts on the economy. We should not avoid taking fundamental measures just because of an insecure and disorderly situation. This is my first point.

"My second point is that we have made many mistakes in education. Over the past several years, we have overlooked ethical training. We have emphasized more knowledge than education. This has lasted for a few decades and has taken deep root. Now we must change all that. The salaries of those who are in the sector of moral teachings are too low. We can not help but change this politically. I therefore hold the view of using a constructive effort to solve the problem of security and order rather than punishment. If we cannot use constructive measures, do not talk about punishment. I therefore focus on the constructive measures. But what are we going to build? We will build the economy and reconstruct the education sector. Particularly, we must provide leadership and prominently point out the role of the mass organization front. If this front does not stand up to assume mass education, achieve local reconciliation and educate one another but merely uses the measures of the public security agencies which the people's organ of control has not decided, I should say that the assessment and analysis of the security and order situation in those three reports is not fundamental. I propose that no special measures be taken.

"My third point is that those found guilty of crimes must be punished severely and promptly. In the past, we have been very rightist toward criminal objectives. We have protracted many criminal cases for too long, and have even refrained from trying those with protection. So, I finally recommend that the internal security sector be consolidated. I for one contend that we must streamline the sector and make it more responsible and that we should not rely on the number. The public security and police forces are now too numerous. The control sector is also in the same status. My view is for compactness and quality of the forces, and there should be no officialism." [end recording]

Assembly Issues Communique No 5

*BK2012151888 Hanoi Domestic Service in Vietnamese
1430 GMT 20 Dec 88*

[Communique No 5 of the Fourth Session of the Eighth National Assembly]

[Text] On 19 December, National Assembly deputies exchanged views on issues concerning the National Assembly, which will be discussed in a plenary meeting at the conference hall.

On 20 December, the National Assembly held a plenary meeting at the Ba Dinh Conference Hall under the direction of its chairman Le Quang Dao. National Assembly deputies passionately expressed their views on the state plan and state budget for 1989.

In the morning, the National Assembly discussed the state plan. Twenty-one National Assembly deputies expressed their views on the issues concerning the 1989 gross grain output, the volume of grain that should be placed under state management, and agricultural taxes.

In the afternoon, the National Assembly discussed the state budget. Sixteen National Assembly deputies focused their views on the issues concerning budgetary revenue and expenditure, the rate of amassment, the sources of tax collection, and plans for the settlement of wages.

Through discussion, questions were raised on the contents of the new mechanisms and policies and the need to enforce at an early date specific regulations aimed at encouraging production to develop and creating favorable conditions for the fulfillment of all tasks and state targets and state budget for 1989.

Plenary Session Held 20 December
*BK2012155688 Hanoi VNA in English 1508 GMT
20 Dec 88*

[Text] Hanoi VNA Dec.20—The National Assembly convened its plenary session today to discuss the state plan and budget for 1989. Focus of interest were the problems of food production and agricultural tax. Regarding the state budget, the speakers concentrated on a rational level of budget mobilization, tax revenues and measures to solve the question of wages. The speakers pointed to the need of building a new policy structure promulgating as soon as possible concrete regulations to boost production, and creating conditions for the implementation of the tasks and targets of the state plan and budget for 1989.

Activities of 20-21 December Reported
*BK2112104988 Hanoi International Service in English
1000 GMT 21 Dec 88*

[Text] The Fourth Session of the Eighth National Assembly continued its work on Wednesday [21 December] at the Ba Dinh Hall to discuss the budget plan and social security and order.

At this session, instead of reading reports, all the deputies exchanged their views on the socioeconomic program and state budget for 1989.

On Tuesday, about 40 deputies centered their discussions on the problem of food production and agricultural tax. Thirty-six of them approved the target of 20 million [metric] tons of food for 1989. Some other deputies pointed to the importance of subsidiary crops in the food production. They asked the state to create favorable conditions on materials and technology such as an irrigation network, fertilizers to localities, especially the crop-growing deltas.

The majority of deputies pointed out that next year we must transfer to real business, apply a one-price business system and the state will not make up for the losses in selling and buying food. They asked the state to amend immediately unreasonable taxes and to stop state subsidies to factories and enterprises.

The speakers also concentrated on measures to solve the question of wages. They pointed out that wages in business-production must be linked to the efficiency of production of each enterprise and the labor activity of each person without limiting their income.

Do Muoi Addresses Assembly
*BK2112082288 Hanoi Domestic Service in Vietnamese
0500 GMT 21 Dec 88*

[Text] This morning, 21 December, the National Assembly continued to work at the Ba Dinh Conference Hall under the direction of Chairman Le Quang Dao.

Opening the sitting, Comrade Le Quang Dao summed up a number of principal suggestions on which the deputies concentrated their discussions yesterday. These suggestions concerned the 1989 socioeconomic development plan and state budget.

Next to address the National Assembly was Comrade Do Muoi, chairman of the Council of Ministers. In his statement, Comrade Do Muoi pointed to tasks that have to be or have been fulfilled. He admitted that the Council of Ministers' achievements have been few and far between and constituted only the initial steps forward, that the work remaining to be done is considerable, and that macroeconomic management has been sluggish, inconsistent, perfunctory, and still marked by the old way of thinking and work method.

On behalf of the Council of Ministers, he admitted to shortcomings before the National Assembly and promised to draw experience therefrom to overcome all deficiencies. After expounding on the difficulties in our country's present socioeconomic situation, with the greatest one being the acutely imbalanced economy, he pointed to the pressing tasks that must be carried out to extricate ourselves from the predicament and gradually stabilize our socioeconomic situation. He clearly said that to get out of difficulties, it is imperative for us to practice utmost economization. We must economize to build the country, to achieve socialist industrialization, to gradually raise our living standards, to pay back foreign debts, and to quickly escape from poverty and backwardness. We must ceaselessly strive to increase gross social product, minimize material losses, and expand the sources of revenue for the state budget to meet the requirements of production development.

He held that to carry out renovation and stabilize the situation, we must have a sense of collective responsibility, join each other in seeking the most correct and effective new ways for implementation in combination

with the positive features of the old methods. We should guard against subjectivism and arbitrariness in dealing with the country's major problems bearing on the lives of tens of millions of people.

Also during this morning's meeting, after hearing Chairman Do Muoi's statement, many deputies continued to express their views on the state budget and the orientations of socioeconomic development. Among the speakers were Lu Minh VChau, general director of the Vietnam State Bank; Ho Minh Man, deputy from Cuu Long Province; Pham Van Uan, deputy from Dac Lac Province; Giang Thi Du, deputy from Son La Province; Nguyen Van An, deputy from Dong Nai Province; and Ho Thi Hong Nhung, deputy from Ben Tre Province.

Radio on Decline of 'Uncle Ho's Soldiers'

Part 1 of Article

BK1612073788 Hanoi Domestic Service in Vietnamese
1400 GMT 12 Dec 86

["Part 1" of Vuong Chat Article: "Some Thoughts About the Title of Uncle Ho's Soldier in Recent Years"]

[Text] One day we took a short rest at a small refreshment kiosk by the roadside, whose owner was a woman in her early seventies. Despite her white hair, she was still very active. After chatting with us for a while, the woman asked us to help look after her kiosk so that she could make a short visit to the house next door. One of us jokingly asked: Are you not afraid that we would steal something from your kiosk? No, I am not, answered the old woman smilingly and without hesitation. I know that you are former soldiers. I would not dare to leave my kiosk to your care, if you were new soldiers of the present generation, she added slowly as if she was trying to make clear to us between the words former soldiers and new soldiers.

We stared at each other without saying anything. However, we were deeply moved by such terse and simple-minded remarks containing both tenderness and bitterness of the old woman, that could exemplify the will of those persons who had experienced or witnessed the fine nature of our soldiers through various revolutionary stage since the founding of the party.

It is a fact that our troops' efforts to preserve the nature of revolutionary traditions have declined and degraded. Passenger buses from Ha Tuyen, Cao Bang, Lang Son, and Ho Chi Minh City have been intercepted by groups of soldiers. In only a few months, an infantry regiment received hundreds of complaints from the people and the local administration about the encroachments on the people's properties and abuses of women's bodies and dignity by its soldiers.

It is notorious that the troop-people and intramural relations and some other aspects of the Army are being degraded. This should be a cause of alarm. How much deeply have we been imbued with President Ho Chi

Minh's teachings: A nation, a party, and each person who was great and attractive yesterday, is not today and will not be in the future necessarily loved and praised by everyone if he no longer remains clear and if he falls into individualism—Ho Chi Minh, Selected Works, Book 2, Su That Publishing House 1980, page 491.

In recent years, the image of Uncle Ho's Soldiers in the people's hearts is no longer as it was before. This can be said a regrettable loss and a serious matter. This weakness is now a matter of concern for our entire society and a cause of anxiety to the leaders and commanders in our Army. The defense minister has also raised the question of restoring the title of Uncle Ho's Soldiers for the entire Army.

Faced with such a situation, the general public has raised several questions: What is now the nature of Uncle Ho's soldiers? What can our troops have retained? What has been eroded and been lost? Anyhow, these questions sound an alarm and a good, very legitimate and responsible note. How can the true nature of our present Uncle Ho's soldiers be assessed? How can the situation be dealt with? These are really great national problems that call for the mobilization of a responsible collectivized force to carry out the task.

Depending on our viewpoint on these questions, we can have diverse answers. However, there are many different viewpoints and divergencies. We all know that the movement and development of things constitute a very complex and sinuous phenomenon full of contradictions. Then, how can we deal with such questions? In the past 40 years or so, led and educated by the party, nourished and protected by the people, and supported by international friends, our Armed Forces have fulfilled their mission of being the core force of the people's warfare and of the all-people movement to fight the enemy. Imbued with the truth that nothing is more precious than independence and freedom, many shining examples of revolutionary heroism to die for the country to survive have glorified the nature and traditions of the Vietnamese nation and its People's Army, making it worthy of being Uncle Ho's soldiers and one of the fundamental factors to ensure that our country remains firm and everlasting.

By recalling the work during this past journey full of sacrifices and ordeals endured by our troops, we want to assert the title of Uncle Ho's Soldiers which our people had once truly recognized in their children. This lofty title is not established by the Army itself nor awarded by the party and state. In many of his speeches and writings, President Ho Chi Minh often praised our troops for being loyal to the country and the people, and faithful to the party and the people; for being always ready to fight and sacrifice for the country's independence and freedom and socialism; for fulfilling all tasks; for overcoming all difficulties; and for defeating all enemies.

Uncle Ho's soldiers are the models of a revolutionary army reflecting the various internal, Army, and international relations; and the attitude toward the party, the country, the people, the socialist regime, friends in the world, and the enemies from all directions. Uncle Ho's soldiers who are the models of revolutionary troops and the symbolic concentration of human dignity, have been strenuously educated, trained, and forged by our party, Uncle Ho, and our people in the revolutionary struggle. This is a spiritual value, lofty ethics, and a fine achievement that was asserted at our fifth party congress.

The greatest achievement of this past revolutionary course was that our people have regained total national independence, have completed national unification to advance the entire country to socialism, and have had a powerful Army that remains invincible through all ordeals.

Being proud of our past, we should all the more severely face the present and be responsible to the future so that we can remain always worthy of the noble title of Uncle Ho's Soldiers in the new revolutionary struggle.

Last Part of Article

*BK1612141988 Hanoi Domestic Service in Vietnamese
2330 GMT 12 Dec 88*

["Second and last part" of article by Vuong Chat: "Some Thoughts About the Title of Uncle Ho's Soldier in Recent Years"]

[Text] With our party's renovative viewpoints and an attitude of looking squarely at the truth, correctly evaluating it, and speaking it, the true situation of our Army at present should be pointed out. There are always two sides to the truth, the good one and the unsavory one that reflects the objective problems of social life. In recent years, embarking on the revolution's new stage, our Army has always thoroughly understood and scrupulously carried out the lines, viewpoints, and policies of the party and state, and remained absolutely loyal to the people's revolutionary cause. Countless typical examples of distinction have emerged; the majority of our cadres and soldiers have been able to uphold their virtues, revolutionary ethics, and socialist life-styles. They have not only remained exemplary themselves but also encouraged their family members to satisfactorily observe party and state viewpoints and policies while difficulties in the national situation and privations in everyday life have given rise to social negativism. All this reflects the commendable ethical qualities of Uncle Ho's soldiers, which have been forged and tested through the process of revolutionary struggle.

In the current state of peace in our country, our entire people are concentrating on economic construction and devoting everything to production in an effort to gradually stabilize and improve their living conditions. Although difficulties still abound, peace and happiness are coming to every home. However, our cadres and soldiers still have to stay away from their families and

experience privations as far as material, spiritual, cultural, and emotional enjoyment is concerned. At the same time, a number of our soldiers are still maintaining a war footing; they continue to make sacrifices while confronting untold hardships, privations, disease, and even death.

The more we praise and respect outstanding and humanitarian doctors who save lives by performing complicated surgical operations and controlling dire diseases at various hospitals, the more we will value the great, silent sacrifices and efforts made by our soldiers on the frontline to protect the peaceful life of tens of millions of people and ensure the fatherland's security. Is it not the most precious nature of Uncle Ho's soldiers that is being firmly upheld and developed by our army? What must be recognized here is that all these sacrifices and efforts are being made under conditions of a new historical background that offers a noticeable contrast—fierce fighting on the frontline with men dying silently and peace in the rear area only a few kilometers away where the festive spirit of wedding ceremonies is enhanced by the rumbling explosion of firecrackers. Against this background, the silent spiritual march that takes place in our soldiers' minds is fairly complicated. That reality may serve as a school of bravery and nobility for generations of youth, but the weak and the cowardly will succumb to ignominy.

Greatness and beauty lie in that the absolute majority of our cadres and soldiers have struggled to overcome adverse circumstances, advanced, and made sacrifices for the people's great cause. Besides the supplies of modern militarymen, Uncle Ho's soldiers today bring with them on the march not only a rifle and a bag of rice just as they did decades ago but also the feelings of their normal life—including their fairly strong sentiments and responsibility toward their families in the rear. Nevertheless, in the face of the requirements and duties of revolutionary soldiers, they have waged an ideological struggle within themselves, strengthening their endurance and, at times, suppressing all their worries and misgivings to surge forward and fulfill their responsibility toward the party, country, and people.

Until now, the image of Uncle Ho's troops has continued to be a source of confidence, love, and hope for our people. And our armed forces have continued to be a healthy, trusted tool of our party, state, and people. But aside from those achievements gained, the image of Uncle Ho's troops has, in recent years, changed. This is a setback. The plain words of the elderly female shop owner mentioned in the first part of this article have more or less raised a warning against this setback. Thus, even with heartbreak and bitterness, we must point it out straightforwardly in order to overcome it rather than cover it up or ignore it, for this will worsen the situation.

Faced with the enemy's attacks from all directions, especially in the psychological field; with the complicated situation of the struggle between the two ways of

life—socialist and capitalist; with socioeconomic difficulties; and with the shortcomings and mistakes committed by the party and state in leadership and socioeconomic management as well as in the command and management of the armed forces, no small number of our cadres and combatants appear to lack firmness in their political knowledge and revolutionary ethics. Lingering phenomena of negativism, backwardness, and weaknesses have emerged. Prevalent shortcomings consist of a drop in fighting zeal, a lack of close attachment to the armed forces, and a liberal flouting of discipline, resulting in a bad impact on internal relations and on Army-people relations.

Leadership and command activities are lax and there is a lack of responsibility in various areas of activity. A segment of party cadres and members are heavily preoccupied with individualism, egotism, vaingloriousness, haughtiness, and self-complacency. They have developed individual power, disregarded the collective, shunned undergoing indoctrination and training, enjoyed special favors, behaved in an undemocratic manner, and fostered departmentalism, localism, and disunity. Others have committed wrongdoings such as illegally seizing materials and houses, embezzling state property, exploiting the labor of combatants and skimming off their rations, making unfair distributions, abusing the name of the armed forces to make under-the-counter dealings, thus helping dishonest merchants carry out their illicit business.

Relations between higher and lower echelons are still fraught with indications of political inequality. Cadres are reported to have grossly violated the dignity of combatants, thus arousing indignation within the internal ranks and among the people. And there have been cases leading to bad consequences.

Although the above state of degradation has time and again been pointed out, there is still a lack of effective measures. Changes for the better are slow and there is a rising tendency to leave problems unsolved. Lingering weaknesses have, in certain aspects, been serious, constituting an infringement on the glorious nature and tradition of the armed forces and eroding the trust that the party and people have in them.

There are many reasons for this state of weakness and degradation. In this article, I would like to deal with a reason that I think is the most decisive. That is the relaxing of the principles of building a revolutionary army politically. Building the Army politically involves many things. Here I would like to talk only about a concern for men in the armed forces. Men are both the driving force of the revolution and the highest objective that the revolution is supposed to serve. Showing concern for men is, in the final analysis, a policy toward men and the armed forces. Showing concern for men means caring for all cadres and combatants and all national defense workers and employees in all aspects of life, ranging from their spiritual, material, and cultural life to

the training of their political quality, ethics, lifestyle, general knowledge, and professional skills with emphasis placed on the contingent of hardcore cadres with long military careers.

To achieve this aim, it is necessary to closely combine ideological work with organizational and policy-making work, trying to do it in such a way that these efforts can have a direct impact on each person and produce realistic results. This is a realistic work aimed at contributing to restoring, consolidating, and enhancing the revolutionary nature and glorious tradition of the Armed Forces so they can aptly be called Uncle Ho's soldiers and can meet requirements arising from the new revolutionary situation and tasks.

A long-standing shortcoming in the military is that a number of leaders and commanders have continued to habitually motivate or call for enthusiasm in a monotonous fashion without paying adequate attention to giving material incentives at a time when all of the country and the entire society are using economic benefits as a driving force.

At certain times, some people held that party and political work has not been correctly guided as it does not deal with material interests. This conception has not been sympathized with by cadres and combatants. The character of special labor—blood labor—can not be materially compensated even though we are not influenced by pragmatism or mediocre materialism. But as we have already recognized the dialectical relations between the material and spiritual factors, we cannot deny the maxim that the Army can only be powerful when it receives full material support. Lenin once said that even the best army with personnel most faithful to the revolutionary cause will be promptly destroyed by the enemy if the army does not have enough equipment, adequate training, and sufficient food—from the Collection of Lenin's Works, Su That Publishing House, 1971; Volume 27, page 88.

Showing concern for man means to associate him with all the relations brought about by the historic situation of the new society, for man is the comprehensive embodiment of all social relations. At present, families and the rear have a strong impact on the armed forces personnel's feelings and mentality. On top of that, the situation and the living conditions of the preceding generation serve as a concrete model that greatly influences the feelings, mentality, and aspirations of the succeeding generation, especially young officers.

In the old days, when the country was under foreign rule and families were driven asunder, the only way to salvage the country was that the youths had to leave school and join the struggle on the battlefield. Today, in national defense and construction, one can choose many different ways, including the nonmilitary one which benefits the country and the families, both at present and in the future.

Young officers have talked with grave concern about the fact that at present the mother of each fallen hero in the countryside only receives a monthly allowance of 1,010 dong—not enough to buy 2 kg of rice at the current market price. This reality—heard and seen with their own's ears and eyes—has set our soldiers deep in thought and made those good-hearted people outside the army feel sorry for them. Youths reaching military age cannot help showing their hesitation while girls wishing to have romance with soldiers also have to make a second thought.

The political nature of the army is heavily influenced by the economic, social, political, and cultural situation from all directions as well as by the rear situation, and by the actual welfare of their wives, children, and parents, and of themselves at present and also in the future. Therefore, to care for the building of the armed forces and to maintain and develop the title of Uncle Ho's Soldiers, besides the responsibility of the army itself, first of all unit leaders and

commanders, I think that our party and state should muster the strength of the entire system of dictatorship by the proletariat. This work should not stop at our intentions or determination but it should be substantiated into law and into our programs and policies. In the immediate future, we should reexamine those policies already in effect to make suitable adjustments. On the other hand, we should consider formulating new policies suitable to new historic situations. Anything which is no longer appropriate should be changed.

Restoring, consolidating, and developing the revolutionary nature of the army so it can live up to the title of Uncle Ho's Soldiers in the new revolutionary stage is a very fundamental task in building the People's Army politically. This process requires great efforts of which we must, in the immediate future, promptly tackle the question of the declining and degrading ethical, spiritual, political, and material life of the Army as well as of its rear area.

New Zealand

Lange Retains Labor Party Leadership

*BK2112074288 Melbourne Overseas Service in English
0500 GMT 21 Dec 88*

[Text] New Zealand's prime minister, Mr Lange, has easily retained the leadership of the Labor Party in a caucus vote. He outpolled his challenger, the sacked finance minister Mr Roger Douglas, by a margin of more than two to one.

Mr Douglas was dismissed from the ministry last week after a long feud with Mr Lange over economic policy.

Vanuatu

President Charged With 'Inciting Mutiny'

*BK2112024288 Hong Kong AFP in English 0237 GMT
21 Dec 88*

[Text] Port Vila, Dec 21 (AFP)—Vanuatu President George Sokomanu was arrested on charges of inciting mutiny Wednesday and was held without bail following his foiled attempt to form a new government.

Mr Sokomanu was arrested by 20 police at his official residence and was formally charged in magistrates court.

Conviction carries a maximum sentence of life imprisonment.

Senior Magistrate Dawn Barcinski told Mr Sokomanu that she had no power to consider bail for such a serious offence and remanded him in police custody.

The case was expected to go before the Supreme Court either later in the day or Thursday.

Mr Sokomanu, who was not represented by counsel, was asked by the court whether he had anything to say.

He replied: "Your honour, I would like to see my lawyer first."

Public prosecutor John Baxter-Wright told reporters that further charges would be laid against Mr Sokomanu at his next court appearance.

Mr Sokomanu's arrest followed his attempt to dissolve parliament on Friday and his swearing in of a five-man interim government on Sunday in opposition to Prime Minister Walter Lini.

His actions were declared illegal by the Vanuatu Supreme Court Monday and the five interim government members, including Father Lini's arch rival Barak Sope, have been charged with taking an unlawful oath and making a seditious statement.

The first charge carries up to three years in prison and the second a maximum of two years. The five were also remanded in custody.

A police spokesman said Mr Sokomanu was being held at Port Vila's main police station along with 26 others.

Mr Sokomanu's arrest came a day after the Vanuatu Parliament initiated dismissal proceedings against him, charging him with misconduct, attempted treason, inciting mutiny and seditious intention.

The parliamentary motion called on the country's electoral college to meet in two weeks to sack the man who has held the presidency here since Vanuatu became president in 1980.

The latest chapter in Vanuatu's year-long period of crisis came four days after a series of by-elections on December 12 consolidated Father Lini's hold on the parliament of this South Pacific island republic.

Mr Sokomanu dissolved Parliament when it convened on Friday and two days later swore in a rival government to prepare for the general elections he said were the only means of restoring political stability.

Father Lini moved quickly, arresting the would-be government and its supporters.

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